

THE INDUSTRIAL STATE

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EDITOR'S NOTE

IN AMERICA as well as in Europe interest is shifting from politics and legislatures to public administration. The publication of this volume by the leading Hungarian authority on the latter subject is an indication of this interest. This volume is an interpretation of a world-wide trend which American believers of democracy need not accept but which they should understand. It is the thesis of Professor Magyary that the old liberal state could not meet the needs of the developing industrial order and that a new state, based upon scientific management and the expert must and is coming into existence. This state has made furthest progress in the totalitarian dictatorships of Europe, but at the price of liberty. The problem in western Europe and America is how to make place for the expert and yet make him responsible to the freely chosen representatives of the people. While the author places less importance upon the legislature than do supporters of democracy, his own account shows that both Britain and America are developing systems of administration which are endeavoring to reconcile competence with popular responsibility. The volume as a whole should give the reader a more sympathetic understanding of the problems with which particularly continental Europe is wrestling.¹

RAYMOND LESLIE BUELL

August 5, 1938

¹ Although Austria has been annexed to Germany, the reference to the Austrian government in the text has been retained for purposes of historical and scientific comparison.

CONTENTS

	PAGE
Editor's Note	v
§ 1. Introduction	ix
PART I. TRANSFORMATION OF THE STATE	
§ 2. The State Prior to the Industrial Revolution	1
§ 3. The Nineteenth-Century State from the Juridical Point of View	2
§ 4. The Industrial Revolution	6
§ 5. Scientific Management	9
§ 6. Rationalization Manifesto	17
§ 7. Fayol's Theory	19
§ 8. Quantitative Increase of Activities of State	24
§ 9. Symptoms of Crisis in the State	29
§ 10. Development of the Post-Industrial State	36
PART II. TRANSFORMATION OF PUBLIC ADMINISTRATION	
§ 11. Two Tendencies of Transformation of Public Administration	38
§ 12. Quantitative Increase of Public Administration	38
§ 13. Formation of a Professional Bureaucracy	41
§ 14. Development of Bureaucracy in Absolute Monarchies	42
§ 15. Development of Bureaucracy in Constitutional States	48
§ 16. Development of Professional Civil Service in Great Britain and the United States	50
§ 17. Post-War Development in Italy and Germany	57
§ 18. Development in the Soviet Union	58
§ 19. Expansion of the Scope of Public Administration in Austrian and Polish Constitutions	65
§ 20. Role of "Single Party"	66
§ 21. Predominance of Pre-Industrial Characteristics in Public Administration of the States of Europe	72
§ 22. Development of Post-Industrial Type in Anglo-Saxon States ..	73
PART III. THE CHIEF EXECUTIVE AND HIS AUXILIARY AGENCIES	
§ 23. Twofold Function of Government	88
§ 24. Political Function of Government in Parliamentary States	88
United States	88

	PAGE
France	90
Belgium	94
Switzerland	99
§ 25. Political Function of Government in Dictatorial (Authorita- tive) States	102
Italy	102
Germany	109
Soviet Union	113
Poland	118
§ 26. Administrative Function of Government	122
§ 27. The "General Administration" Theory	124
Fayol	124
Willoughby	128
§ 28. The Bureau of Administration: Its Sphere of Activity	133
§ 29. The Military General Staff	141
§ 30. Present Day Activity and Organization of the General Staff ..	144
§ 31. Status of the General Staff in the Service	146
§ 32. Training of the General Staff	147
§ 33. The "Cabinet Du Ministre" (Ministers' Secretariats)	150
§ 34. Auxiliary Agencies of the Chief Executive in the United States	152
§ 35. The British Treasury as an Organ of "General Administra- tion"	169
§ 36. Organization of the Administrative Function of Government in Other Countries	177
France	177
Italy	185
Hungary	188
Germany	191
Poland	192
Soviet Union	194
§ 37. The Gosplan	195
§ 38. General Tendency of the Evolution	199

§ I. INTRODUCTION

THE development of public administration shows two parallel tendencies. On the one hand we find a development of public administration as required by the particular exigencies of a particular State—States springing into existence and ceasing to exist, expanding and decreasing in area, on changing from federal to united States. Public administration frequently changes without any such radical transformation of the State itself, assuming different forms in the various States. However, the system of public administration of any particular State is that State's own affair; so that any changes of the administration or any peculiar development within it has no effect upon other States.

However, there is another tendency in evidence in public administration. I refer to the development of its intrinsic character resulting from new conditions and causes arising out of social and cultural development. The symptoms of this development are the same in all countries; they denote the various historical stages of the internal evolution of administration. This has resulted in differences in point of time on the basis of which we are able to distinguish periods from one another—to differentiate the State of the nineteenth from that of the eighteenth century.

It is this evolution which the present work is intended to illustrate and explain.

The crisis in evidence today all over the world in the life of the State and in public administration means that the State is entering a new period of development. We are living in an age of transition. That makes it difficult to judge the phenomena correctly. However, the development has already advanced far enough to enable us to establish the difference between the two successive periods. It would seem that the essential point of the transformation at present under way is that the organism of the State which developed early in the nineteenth century is just undergoing the con-

Introduction

sequences of the far-reaching development and transformation caused by the great economic—particularly industrial—revolution through which the world has passed since. *The pre-industrial State is changing into a post-industrial State, the nineteenth-century State into a twentieth-century State.* The outstanding result of this technical revolution has been the development of capitalism, which never ceased to expand until it had embraced the whole world. Characteristic of this development is the increase in number of functions; and that involves an increase in the importance of organization and in the significance of the rôle played by the head of an organization. This multiplication of functions has also found its way into the life of the State; and the main cause of the crisis was that this development was not followed by a corresponding improvement of organization. The key problem of these changes would appear to be the modification in the status of the executive power, particularly the increased importance of the position of the Chief Executive. The study of the development of the States, whether great or small, reveals the same tendencies. Both examples have the same significance for the purposes of research. The larger a State, the greater the problems of organization arising there and the greater the necessity of finding a solution of those problems in the case of the Chief Executive. The need is therefore more pressing in the larger States. On the other hand, the less complicated conditions prevailing in the smaller States make a survey of the question easier, facilitate the recognition of interdependence and the solution of the new problems, and offer the opportunity to test the efficacy of the new solutions.

Public administration is life; and life in all its forms demands unceasing action—even where science affords no guidance for such action. The tragedy of periods of transition lies in their inability to utilize the older truths of science, while new truths have not yet been discovered. A period of transition is veritably a period of groping without the guidance of science. That is what we shall be able to ascertain during our present inquiry in respect to the subject with which we are dealing. However, when there is a sufficient volume of new experience available which may be arranged

Introduction

and explained, science will be in a position, from a doctrinal point of view, to render signal services by criticism, by systematizing and by revealing the trend of further development. It is our object to further a new orientation of science in this important field—to open up the path of progress and put an end to the game of scientific blindman's buff being played to-day.

The first difficulty is that the work deals with a central problem which concerns actual politics, and is, therefore, a delicate question. That is why the author has endeavored everywhere to base his statements on facts and on documents of technical literature, to avoid any evaluation. He particularly stresses the fact that he had no intention whatever of criticizing existing State organizations nor of giving advice to States or Governments respecting their future decisions. His object has been to collect and systematize the documents and the facts which taken together show that the problem in question is in a state of profound and advanced transformation. He has not attempted to make his collection of data complete or to multiply details; but has endeavored to clarify the main outlines and the leading trend of development.

Another great difficulty in the preparation of this work was to include in a comprehensive survey and to express in scientific language intelligible everywhere conceptions which are so divergent and conflicting as those of Continental Europe and those of America or the ideas of the capitalist States and those of the Soviet Union. Should the author have succeeded in any measure in solving this problem, that is due primarily to his having based his attempt at synthesis on personal experience and personal study in the several countries, and on the best literary sources collected by him during his travels. He, therefore, begs the readers of this synthesis if they find it to be in places too bold or surprising, to take into account, when forming their criticisms or their divergent opinions, all the data and documents upon which the work is based.

PART I

TRANSFORMATION OF THE STATE

§ 2. THE STATE PRIOR TO THE INDUSTRIAL REVOLUTION

APART from those States which were changed in form by the revolutions which followed the Great War, the present-day organization of States is the expression of the political principles that developed at the end of the eighteenth century. The victory of these principles in Europe and in the United States of North America occurred practically at the same time. In Europe it found expression in the French Revolution, and in the United States—two years earlier, in 1787—in the Constitution of the *Union*. This shows in both countries alike the influence of a common cause of earlier origin. We find the postulates of liberal democracy in the charters of the American States even prior to the formation of the Union. We find them also in various forms in the French Constitutions of the post-revolutionary period. We find them later in the Belgian Constitution of 1831, which profoundly influenced subsequent constitutional development in many Continental States.

That this attitude was in full force right down to most recent times is clearly shown by the fact that the first Constitutions of the new States formed as a result of the Great War—Poland, Czechoslovakia, Esthonia, Lithuania, Finland, etc.—all alike reflect these fundamental principles, and even the Weimar Constitution of Germany.

Among these Constitutions we find two types differing in respect to the legal status of the executive. One is the European, which has endeavored to transplant the British parliamentary system and has entrusted the exercise of the executive power to a corporate body—the Cabinet—responsible alike to the king and to Parliament. The

other type is the "presidential" constitution represented by that of the United States of North America, under which the Chief Executive is elected by direct vote of the electors and personally exercises the executive power independently of the legislature. The legal status of the President has its counterpart in the legal status of the Governors of the 48 American States. Another essential difference between the two types lies in the fact that whereas in the States of Europe there has been a simultaneous development of the right of national assemblies to vote the Budget, thus giving the legislature a significant influence on the development and control of public administration, in the United States of North America, on the other hand, the introduction of a system of "executive budgets"—budgets drafted by the executive power and submitted for the approval of the legislature—did not ensue until after the Great War. The lack of such a system had not generally been felt previously.

§ 3. THE NINETEENTH-CENTURY STATE FROM THE JURIDICAL POINT OF VIEW

The characteristic features of the nineteenth-century State from the juridical point of view are the following:

In respect to the form of government the constitutional State developed as a reaction against absolute monarchy. The dominant form is that of a constitutional monarchy. The "presidential" Constitution of the United States of North America is the republican constitution nearest akin to the monarchic system. The main guarantee of constitutional liberty is the separation of the principal functions of the State, legislative, executive, and judicial under the primacy of the legislature. Equality before the law and equal participation in public taxes accompany the abolition of servitude and feudal privileges. Defining individual rights in a charter to guarantee the independence of the individual, under a social contract, is just as important a means to realize liberal democracy as is the application of popular representation in the legislature and in the local government bodies.

Form of government has developed in parliamentary countries in such a way that the Head of the State—the sovereign—is regarded as the trustee of the executive power. He cannot, however, exercise his power except through a body of ministers responsible both to the Head of the State and to Parliament. For that reason the Prime Minister is legally only president of the council of ministers (Cabinet)—*primus inter pares*—and not the hierarchical chief of the ministers.

Another postulate of liberal democracy was that the scope of interference on the part of the State should be as restricted as possible. *Laissez faire, laissez passer*. Compared with absolutism, this certainly meant a considerable curtailment of the power of the State. The industrialization of society was accompanied by a gradual advance in power; and society obtained from the State—the political unit—more and more independence and freedom of action.

This separation of State and Society was reflected in science by the differentiation of political science and sociology. At the same time a prolonged rivalry for precedence began between the legal and the sociological schools. Ernst Rudolf Huber (of Kiel) says, “. . . Legal Rules were made paramount; and the state was identified with the legal order responsible for the framing of those rules. On the other side we find the development of that sociology which despises law and is despised by jurists.”¹ The opposition of State and Society was accompanied by the development of similar pairs of opposites in other fields. Indeed, the usual mode of asserting new ideas and emancipation from the influence of the State was the creation of contrasts of this kind. Contrasts of peculiar interest to us in our present inquiry are those made between the State and the law, and between the State and national economy. The former contrast gave rise to a jurisprudence independent both of the State and politics. The State appears as a political necessity—in other words, as political power and absolutism. Law appears as an objective idea superior to the State which defends the natural order of society, the order based upon private property, liberty, and security.

¹ See E. R. Huber, *Die deutsche Staatswissenschaft, Zeitschrift für die gesamte Staatswissenschaft*, 95, Band, 1934, p. 17.

Because of this differentiation the law claims the right to rule over the State. The State is no longer the master of the law but its subordinate. The State is therefore restricted by the law; and a constitutional State (Rechtsstaat) is one in which the supremacy of law extends also to public administration. That means also that law is an instrument in the hands of society to secure its domination of the State.

However, there are several types of constitutional States; for no State is inclined to appear undeserving of that title. These types must be differentiated. The constitutional State, for instance, which the Third German Empire has since 1933 gradually been putting in the place of the one previously in force, is called by German literature itself *der Rechtsstaat Adolf Hitlers*—Adolphus Hitler's Constitutional State.² The differentiation of the State and economic life is a direct consequence of the separation of the State and society, for society rests upon economic foundations. In addition we have the bitter conflict between the State and individual in which the individual gets the upper hand of the State. In a liberal democratic constitutional State, the State is subordinate to the individual.

This atmosphere of liberalism produced conditions favorable to the expansion of legal positivism, the intellectual conceptions of which were supplied by the work of Auguste Comte and by the positivism of natural science. Legal positivism denotes the principle of legality—viz., the principle that the only ground for interference by the State is the law, to which everything must be referred. This means unconditional subordination to a legal rule; but people must subordinate themselves only to the legal rule in question and to the exactly determined content of that rule. *Nulla poena sine lege*: this postulate of positivist legal thought would appear to have supplied the maximum of objectivity, stability, and permanence. It resulted, however, in an increase in the number of legal rules to a degree making it extremely difficult to survey them and to determine what law is in force. The need for legal rules is so great that the legisla-

² Carl Schmitt, *Der Rechtsstaat*, in the following work: H. Frank, *National soziales Handbuch von Recht und Gesetzgebung*, München, 1935, p. 10.

ture has been compelled to delegate the executive power a constantly increasing rôle in the work of drafting them.

To the century under discussion belongs also the development on the European Continent of *administrative law* concerning the relation existing between public administration and individuals—physical or fictitious persons—with whom it may have to deal. Therefore, as developed and interpreted in the States of Europe and as may be seen for instance, from the judicature of the French *Conseil d'État*, administrative law is not civil law applied to the administration, but a system of law differing entirely therefrom and belonging to the sphere of public law.

A difference between public and civil law, of importance both from a practical point of view and from the point of view of our discussion, is that shown in the field of administrative law, where *Gewohnheitsrecht* (common law) plays a far less important part than in the field of civil law; though on the other hand, regulations occupy a much more important place in administrative law. The insistence upon legal rules and the strict application of the principle of legality has led to an enormous increase in legal rules, in its turn leading to a decrease of the free use by the administration of its discretionary powers.

In the field of the new administrative law stability, precision and certainty have arisen to the same degree as in the field of civil law. Those qualities are in both cases attributed to the working of legal rules. However, when we look back we may prove that the stability, precision, and certainty in evidence to-day are the result, not of legal rules, but of the relative stability of the nineteenth-century State and of the normal conditions prevailing in that State. So, the moment the situation presupposed by the positive rule—i.e., the normal situation—changes, there is an end also to the stability of the foundations upon which the application of the rule is based. These are not the conditions for which the legal rule was drafted; they are, therefore, abnormal conditions. It is these changes of conditions that are responsible for the inclusion in laws of the so-called “general clauses”—e.g., providing that some obligation or other is to be fulfilled either as stipulated by general custom or according to the principles

of equity. Phrases such as "equity" may of course be interpreted in various ways; their meaning may change; and the law may change too without any amendment of positive enactments. This is just as likely to happen in the field of administration as in civil law. In Germany, for instance, it has recently been enunciated by law and in the findings of judges that the taxation laws must be carried into effect in the spirit of national socialism.³ This involves the recognition of a principle differing essentially from the system of legal positivism.

This one-sidedness of legal positivism—which we find all post-War revolutions rejecting—is far more characteristic of the European Continent than it is of the Anglo-Saxon States.

§ 4. THE INDUSTRIAL REVOLUTION

The liberalism so characteristic of the nineteenth-century States reached the culmination of its dogmatic development in the decades immediately preceding the outbreak of the Great War, when it ruled practically without opposition. At a much earlier period, however—in particular from the seventies and still more strikingly at the beginning of the new century—we find a constant increase in the social and economic phenomena and legal factors incompatible with the principles of liberalism.

In the first half of the nineteenth century, the technical revolution began with the invention of the steam-engine, started the development of railways and labor-saving machines, and made possible the constant advance of industrial production. It made headway rapidly in the atmosphere of a liberalism which was already virile and brought about changes far exceeding the changes of all previous ages in extent, rapidity, and intensity. Steam as a source of energy was soon followed by gas, electricity, and oil. Industrial production became more and more specialized, its capacity growing on a similar scale. Handicrafts were supplied by mechanical industry; the workshops of craftsmen were ousted by factories and big industrial concerns. One result was the development of capitalism, which held

³ See *Deutsches Steueranpassungsgesetz*, vom 16.10, 1934, Chap. I.

the means of production in private ownership; in time the employers and the far larger number of wage earners formed antagonistic social classes. Technical progress and the discovery of raw materials, together with the organization of markets, contributed to develop horizontal and vertical combinations for the furtherance of economical production and marketing. This accounts for joint-stock companies, "cartels," trusts, and the banking companies financing the whole output. The age of capitalism began about the year 1870. This means, however, that economic life ceased to be a struggle of the individual for existence in a competition which ensured the survival of the fittest. Instead, it consisted of a gradual restriction of competition which resulted in making it impossible for the individual, left to his own resources, to hold his own. It compelled him to organize. Capital accumulated in the form of joint-stock companies; the employers united to form trusts and cartels; the workers established trade unions; and the consumers, coöperative societies.

The change did not ensue immediately, and it was not the work of the State. Society and economic life desired to be independent of the activity of the State, which some people would restrict to that of "*Nachtwachterstaat*" (Night watch state). For intrinsic reasons, freedom of competition was gradually restricted as a consequence of the development of capitalism; eventually an appeal was made to the State for protective customs tariffs. That meant an end of free trade, and at the same time an end of pure liberalism—though liberalism only gradually withdrew to make way for the new era. Early in the twentieth century, however, imperialism was already fully developed. By imperialism we mean the seizure and complete partition by the capitalistic States of all territories in the world producing important raw materials, and the division of the world markets among those States. Economic connections traversed the boundaries of countries and empires, and as a result international "cartels" and communities of interests came into being.

As a consequence, liberalism changed. It passed beyond its own limits for internal economic reasons, without any pressure on the part of the State. This process was not the consequence of the Great

War, though it did not become quite evident until after that War. It started long before, and all we can say is that the Great War merely accelerated the development. To-day liberalism is where it would have been in any case even if there had not been any Great War though it might have been twenty to thirty years later. According to Marx and Lenin, the Great War was a consequence of imperialism, which is closely connected with the development of Capitalism on a grand scale.

Technical development still continues to advance rapidly. The development of motor-cars, airplanes, broadcasting, and stratosphere flying illustrates the rate of advance and marks the new perspectives.

We must take into account the parallel development of natural sciences, particularly medical science. The advance of medical science has so greatly enhanced the development of hygiene, prolonged the average duration of human life, and aided the success of the struggle against endemic diseases that in the last hundred years the population of the States of Europe and America has multiplied. The density of population considerably increased, as may be seen from the following data:

	Population in 1800	Population in 1930
Belgium.....	2,650,000	8,092,004
Switzerland.....	1,660,000	4,066,000
Hungary (post-Trianon area).....	3,000,000	8,688,000
Europe.....	188,000,000	520,000,000
U. S. A.....	5,308,483	122,775,048

Particular interest attaches to the number of big towns springing into existence. The increase of population made possible the growth of large agglomerations of this kind without in any way causing depopulation elsewhere. It goes without saying, however, that the advance of technical science was also an indispensable element in the formation of large towns. Without the development of long-distance and of local communications, or without the satisfactory solution of the problems of food-supply, public hygiene and housing, the development of big industrial undertakings alone would not have produced the results in evidence to-day.

The decisive and epoch-making fact is therefore that to-day the nations are not living within the limits prescribed by their constitutions under the conditions to which those constitutions were adjusted—an incongruity giving rise to grave problems.

This is shown, first, by the fact that after the Great War, as the result of revolutionary upheavals, several large States—Russia, Italy, and Germany—introduced new Constitutions and new political systems which are in absolute conflict with the system of liberalism and refute that system expressly. These States declare that economic life must be disciplined and controlled by the State. That is the work done by the various corporations in Italy; by “professional classes” (*Berufsstand*) such as the “*Reichsnährstand*,” “*Reichskulturkammer*,” and “*Arbeitsfront*,” etc., in Germany; by the “*Berufsstände*” in Austria, Portugal, etc. The Soviet Union has pronounced production as a whole to be the business of the State, and has made the means of production public property.

Another circumstance showing the change is that even those States which insist on the maintenance, intact, of capitalism are compelled by the economic crisis to increase State control to an extent unknown in earlier periods. This has been the case in the United States of North America, for instance, since 1933.

§ 5. SCIENTIFIC MANAGEMENT

An important accompaniment of this technical development was the constant increase in the size of organization units, with a consequent advance in the importance of organization.

The invention of steam, gas, oil, and electric motors and the construction of large numbers of labor-saving machines led to the establishment of factories. The plants required a large number of workers. The capital invested could not yield proper interest except by an adjustment of the relation of the workers to one another, and to the machinery. Their operations required systematic management. Organization was therefore an important function of that capitalism which was the fruit of the industrial revolution. On the other hand, however, organization made it possible to increase the

dimensions. The increase was both horizontal and vertical. Not only did individual plants manufacturing individual articles increase in proportion to the capital invested and in consequence continually added to the number of hands employed, but manufacturing combines came into existence by an amalgamation of plants engaged in the several phases of industrial production and manufacture. They absorbed both the production of raw materials which is a phase preceding industrial manufacture (e.g., mining or electric energy generation) and the phases following the completion of the process of manufacture (e.g., trading, marketing, and transport). The several plants and the commercial branches might be situated in various towns, or indeed in different countries and different continents. That was merely a question of capital and organization.

It was the acceleration of the accumulation of capital and the advance in the importance of its rôle that gave this whole period its name—*the period of capitalism*. The principle of economy was stressed above all for the purpose of furthering the accumulation of capital. This principle, which may be checked by means of commercial bookkeeping, has never been lost sight of. It has prevailed even where other equally important considerations may have been thrust into the background. This principle led to the employment of cheap labor even at the price of depreciating the quality of the goods. It has been responsible for the fixing of wages insufficient to insure workers a satisfactory standard of life. It led to toleration of primitive processes and imperfect organizations, in the early days of capitalism, as a means of securing profit. I believe I shall not be guilty of unjustifiable generalization if I say that this primitive economic point of view—this adjustment of decisions to the purely numerical value of expenditure and receipts connected therewith—is in evidence even to-day in many branches of State life, in public administration, particularly in corporate bodies composed of incompetent elements or in that of individual organs which shirk responsibility.

However, aggravation of economic competition has led to the necessity of an exact adjustment of each several item of expenditure

in order to obtain an adequate percentage of profit. It was at this point that the era of extensive capitalism was transformed into an era of intensive exploitation. Even in the supervision of all the various elements of cost, the question of organization has also to be taken into consideration. Nevertheless, the attention of industry, for technical and psychological grounds independent of legal considerations, was concentrated on constantly controlling the relation between the workers and the machines employed. This meant an unceasing, specific activity exerted parallel to and in liaison with production operations. Since each machine and each worker may be good or not good, economical or not economical, this work of organization may also show varying efforts on the balance sheet of production. Organization, being the coördination of the work of several individuals, is by definition, a function of the chief. Consequently, increasing keenness in economic competition drew the attention of economic life to the function of the chief. The enterprise is financially interested in the qualities of its chief—its general manager. The quality of the chief is a most important factor in the profit and loss account. However, the value of the general manager and the results obtained by him depends upon the value of the officials subordinate to him; their achievements and quality in turn depend upon the persons subordinate to them; and so on, down to the workers. That is how people became aware of the importance of economizing, not only materials and money, but also human energy and time. The scientific foundations of this work were laid by Frederick Winslow Taylor (1856-1915), who began his experiments in 1880. In 1911 he published *The Principles of Scientific Management*,⁴ the chief authority on the subject. His conception is expressed in the following words: "The search for better, for more competent men, from the presidents of our great companies down to our household servants, was never more vigorous than it is now. And more than ever before is the demand for competent men in excess of the supply.

"What we are all looking for, however, is the ready-made competent man; the man whom some one else has trained. It is only

⁴Published by Harper and Brothers, New York and London, 1911.

when we fully realize that our duty, as well as our opportunity, lies in systematic cooperation to train and to make this competent man, instead of hunting for a man whom some one else has trained, that we shall be on the road to national efficiency.

"In the past the prevailing idea has been well expressed in the saying that captains of industry are born, not made; and the theory has been that if one could get the right man, methods could be safely left to him. In the future it will be appreciated that our leaders must be trained right as well as born right, and that no great man can (with the old system of personnel management) hope to compete with a number of ordinary men who have been properly organized so as to cooperate efficiently.

"In the past the great man has been first; in the future the system must be first. This in no sense, however, implies that great men are not needed. On the contrary, the first object of any good system must be that of developing first-class men; and under systematic management the best man rises to the top more certainly and more rapidly than ever before."⁵

According to Taylor, the principal object of scientific management is to insure the greatest prosperity of both employer and employee at the same time. In sport, a field in which Englishmen and Americans are so much at home, it is considered only natural that every member of a team should exert his strength and knowledge to the fullest extent when he takes part in a contest. Otherwise he is ostracized and despised. In manual labor this *team spirit* is lacking. Since it is impossible to insure the greatest possible prosperity of either employer or employee by this means, the only possible source of prosperity is an increase of productiveness. If this reasoning is correct, says Taylor, it follows that the most important consideration for both employer and employee is to provide for the training and development of each individual to enable him to perform the highest class of work in the shortest time possible, with all the capacity for which his abilities qualify him.

Of the various methods and procedures in vogue in industry there is always one which is quicker and better than the others.

⁵ Taylor, *op. cit.*, p. 6.

This *one best way* has, however, to be discovered. It must then be further developed by scientific research and investigation in respect to the best empiric procedure for the plant to employ. As a consequence, the works management must be in close personal connection with the workers and must take over a part of their work. *This is the kernel of scientific management.* It enables men to exert the whole of their capacity; and the workers may in return claim higher wages. By way of illustration, Taylor describes how a certain person who by an untrained procedure was only able to load 12.5 tons of cast-iron pieces; after being scientifically trained had proved able with the same amount of energy and in the same space of time to load 47 tons. He also relates how a bricklayer raised his bricklaying from 120 to 350 bricks an hour, etc.

Scientific management has developed further since then. In a little over fifty years it has been extended to many fields with which Taylor himself did not deal; to fields, indeed, which were perhaps never in his mind. According to Taylor⁶ perfect mechanisms or methods are those which most economically manage the worker's energy. With machines and tools we have to take into account the capital invested in them. Economy of work is shown where the performance, by time-unit, increases without tiring the worker. Replacing a waste of labor by a saving is assured by an organization of labor which takes into account the mean maximum—standard—of work performed in each time-unit.⁷ The method of scientific management is therefore based upon an accurate knowledge of the facts. Taylor bases his opinions at all times upon these facts, not upon feelings or suppositions. This search for facts, this investigation and collection of data, is called "*research.*" Scientific management demands the behavior of every single person partaking in joint work in studying all problems—great and small. Research as a

⁶ See "Scientific Management in American Industry," pub. for the Taylor Society by Harper and Brothers, New York, 1929; and Copley, F. N., Frederick W. Taylor, Father of Scientific Management, Harper and Brothers, 1923.

⁷ Person, L. H. J., "Scientific Management as a Philosophy and Technique of Progressive Industrial Stabilisation" and "World Social Economic Planning Material Contributed to the World Social Economic Congress," Amsterdam, 1931, pp. 155 and 163.

method is constant and fundamental; the field and object of research may change.

Scientific management, in the opinion of Americans, is a means of social progress and stability. In their industrial vocabulary the idea of stability does not preclude changes, as does the same term when used in chemistry. The dynamic struggles for the widening of the frontier influenced American thought so profoundly that Americans do not speak of unchanged social institutions. That is why in America the term "stability" does not mean rigidity or immoveability. It means simply direction and balance amid changes, the power to produce changes when desirable, to prevent changes when such changes are undesirable, and the ability to regulate and adjust the trend, extent, and cause of the changes.

Once we have grasped the laws governing the direction of mechanical and social forces and of individual conduct, we shall on the one hand be able to avoid unexpected changes due to unknown causes, and on the other hand be able to help to produce desired changes by regulating the interaction of known forces.⁸ In this manner scientific management succeeds in providing that each worker shall do his own work with the greatest possible precision. It is the eternal source of an endeavor toward constant improvement, and strives to attain not merely a good solution but the very best possible solution.

Scientific management is compelled continually to widen its sphere of action. Problems affecting any given position cannot be fully solved unless the other positions surrounding and connected with it are adjusted on the same principles. And this necessity is progressive. Every neighboring position has other positions adjoining which must also be included. The result is that scientific management cannot cease moving until these principles have been applied to all the employees of the plant. Nor can it stop there. After any given undertaking has been organized, it is necessary to adjust matters on the same principles in all the other factories belonging to the same branch of industry. When that has been done,

⁸ *Op. cit.*, p. 155.

the same procedure must be applied to the other branches of industry too, the interdependences leading to the necessity of coordinating the whole network of the national economy. As a consequence scientific management is in continual evolution, and is constantly extending to wider and wider areas.

The spread of scientific management is not easy. Most undertakings keep to the line of least resistance. They endeavor to continue to operate with equipment and methods more and more obsolete until they cannot face competition with up-to-date, progressive plants. This periodically leads to violent upheavals and sudden technical changes.

In scientific management the control (direction) of the head has a meaning just the opposite of what it has in other systems of organization. In the latter, "control" means arbitrary power exercised on the basis of authority in the form of individual orders. In scientific management, it is essential that every one should perform the duties devolving upon him according to the particular demands of the specific situation. In other words, each of the parties coöperating must perform his special task in the time and measure and according to the division of labor required by the "one best way" determined by research. The place of authority is here taken by responsibility. The chiefs are just as subject to the laws of their responsibility as are their underlings. Instead of waiting for orders from some one else, every one watches to see that the others are doing their work properly and accurately.

An orchestra will illustrate these *nuances* and conceptions. The score denotes the standard tasks mapped out for everybody. The various choruses correspond to the various kinds of work. The chiefs (heads) are the conductor and the choir-master; the laborers are the musicians. For each alike the task prescribed by the score is obligatory. The conductor directs with his baton, and his every movement is an order in a special sense. But those orders are not commands expressing the caprice of an individual; they are signs the purport of which is indicated by the instructions of the score. They are just as binding upon the conductor as are the notes lying before each musician. If the conductor is a bungler, the result is

confusion. What comes into being is not an ensemble, and the conductor must be relieved of his post. Each musician knows in advance what each order will be. He is capable of judging whether the order has been given correctly or not. He knows at once if any peculiar vagary of the conductor has infringed upon the instructions and prescriptions of the score. All the musicians alike are subject to the control of a code intended to facilitate the harmonious and economical accomplishment of the tasks allotted. And yet it lies within the power of a gifted conductor to show his qualities as a conductor within the limits fixed by that code; and each member of the orchestra has an opportunity to display his skill in manipulating his particular instrument. In the same way scientific management affords an opportunity to anyone observing the prescriptions to assert his qualities as a leader, or his efficiency as a subordinate.⁹

Under scientific management, therefore, coöperation between chiefs and subordinates rests upon agreement on the interpretation of the common task, upon the division of labor, and upon the responsibility resulting. It is only possible where everyone coöperates with unselfish ardor. For that reason scientific management is a question of training, understanding, and practice. It requires time. It can only be realized gradually; it cannot possibly be introduced by command. The work must be voluntary and spontaneous, not forced. It cannot be achieved by imitation, but only by active coöperation which gradually teaches each member how he may achieve a constantly greater production, and thereby further the advance of culture and bring about a higher common level of life.

Scientific management met with serious resistance. In 1910 and 1911, a violent doctrinaire campaign professing an *a priori* opposition was started against the movement. This campaign, not entirely free from misunderstandings, was a mixture of all kinds of common theories. But the campaign failed to refute or disprove the validity of scientific management. During the Great War, on the other hand, abundant experience gained in practice proved the truth of the principles of scientific management. It may be said in

⁹ *Op. cit.*, p. 165.

general that since the War there has been understanding, not only passive, but active too, of the aims of scientific management.

In the world economic crisis in evidence since 1929 the application of scientific management may be found to contribute toward enhancing the yield of world production again, and to lead to the harmonization of production.

In Europe industrial and agrarian liberalism led to self-restriction sooner than in America. Prior to the Great War "cartels" led to the organization of the economic forces active in industry. During the Great War too, in most European States, there was a far greater need for the organization and direction of national production and consumption than in the United States. Nor did the need for this control cease after the War; indeed, it did not even diminish. Rationalization, whose doctrine was formulated for the European Continent by Walther Rathenau¹⁰ so effectively shows the idea of this organization. The term "rationalization" has several meanings; but the best definition would appear to be that of Person,¹¹ which declares that rationalization means the endeavor which has as its ultimate aim the organization of industry collectively and on a national basis without designating the *technique* essential to the carrying out of that organization. This technique is supplied by scientific management and is applicable in various territories. Rationalization and scientific management met and amalgamated in the idea of *planning*.

§ 6. RATIONALIZATION MANIFESTO

An extremely important product of the trend of thought of scientific management was the report published in 1921 on the initiation of Herbert Hoover, later President of the United States. When he became first President of the Federated American Engineering Societies founded in 1920, Hoover began his activity by appointing a committee of 17 members called the "Committee on Elimination of Waste in Industry." With the help of questionnaires and a

¹⁰ See Gaston Raphael, Walther Rathenau, Litfass, Berlin.

¹¹ Person, *op. cit.*, pp. 196-197.

method elaborated in advance, in five months this Committee inquired into the sources of losses on operations in six branches of industry of peculiar importance to human society—the building industry, the metal industry, the textile industry, men's clothing, the boot industry and the printing industry. In their report the Committee at the same time elaborated proposals for the elimination of those causes. The title of the work in question is *Waste in Industry*. Its exceptional influence is shown by the fact that it is known also as "rationalization manifesto."¹²

According to this report losses on operations may be attributed to the following causes:

A. The poor quality of production due to the injudicious utilization of materials, plants, equipments, and human labor.

B. The interrupted character of production due to the non-employment of human labor, materials, plants, and equipments.

C. The reduction of performance due to bad state of health, physical defects, and industrial accidents.

Each cause was inquired into in all branches of industry subjected to investigation. By comparing the results attained by good and bad plants respectively the Committee designated the source of the respective loss and the means of eliminating or at least lessening it.

At the same time, the report had to be extended to an inquiry into distribution of responsibility for the occurrence of losses between the works management, the workers and other factors—banks, public opinion, business groupings, etc. The results obtained by these inquiries are shown in the following table:

Branch of Industry Investigated	Distribution of Responsibility Between						Total Points
	Works		Other Factors				
	Management Points	%	Workers Points	%	Points	%	
1. Men's clothing.....	48.33	75	10.50	16	4.95	9	63.78
2. Building industry.....	34.30	65	11.30	21	7.40	14	53.00
3. Printing industry.....	36.36	63	16.25	28	5.00	9	57.61
4. Boot industry.....	30.25	73	4.85	11	5.83	16	40.93
5. Steel industry.....	23.23	81	2.55	9	2.88	10	28.66
6. Textile industry.....	24.70	50	4.70	10	19.80	40	49.20

¹² A. Fourgeaud, *La Rationalisation, Etats Unis—Allemagne*, Payot, Paris, 1929, p. 32.

The system of points used here denotes the degree of relative responsibility. The theoretical maximum, 100, denotes the total possible losses. However, since there is no branch of industry whose operations show a maximum of losses, the number of points showing the losses, characteristic of the several branches of industry is below 100. The above table shows that the branch of industry working at the highest loss is the men's clothing industry, the report explaining that circumstance to be due to that branch having shown the smallest degree of control of output and a complete lack of scientific research work, etc.

The chief result shown in the above table is that *for more than 50% of the losses on operations the responsibility rests with the works management*. The share of responsibility devolving upon the workers is less than 25%; that devolving upon other factors, still less.

§ 7. FAYOL'S THEORY

Toward solving problems resulting from the development of industry a further important step was taken by the French economist, Henri Fayol. His attention was concentrated upon the problem of administration—a problem of importance, not only to industrial plants, but also to undertakings of all kinds. It is one of the most vital problems affecting the manufacturing industry. Fayol was the general manager of a mining company and director of several other mining undertakings. In 1916 he published a work founded upon 50 years of experience and preparation entitled *Administration Industrielle et Générale*.¹³ In this work he explained his *doctrine administrative*, which he developed further in his address entitled *La doctrine administrative dans l'Etat*, submitted to the Second International Congress of Administrative Sciences held at Brussels in 1923, applying the doctrine to public administration also. With this latter address I shall deal more exhaustively in another section of this book.¹⁴ Here I would merely stress the prin-

¹³ Paris (Dunot, Editeur), 1920, 174 pp.

¹⁴ See Chap. XXVI.

cipal results shown in the work: *Administration Industrielle et Générale*.

His "doctrine administrative" (administrative doctrine) is the totality of principles, regulations, and procedures which have as their object the facilitation of the management of enterprises (*gouvernement des entreprises*), including all kinds of plants or institutions, big and little, commercial, political, religious, or other.

All the operations possible in these enterprises Fayol divides into the following six groups:

1. Technical operations (production, manufacture, transformation).
2. Commercial operations (purchase, sale, exchange).
3. Financial operations (procurement and administration of capital).
4. Insurance operations (protection of goods and persons).
5. Accounting operations (inventory, balance-sheet, prime cost, statistics, etc.).
6. Administrative operations (foresight, organization, command, coördination, control).

These are the essential functions, and the first five groups need no further explanation. His "doctrine administrative" is concerned in particular with the sixth group. A distinction must, however, be made between *administration* and *management*.

According to Fayol, *management* means directing the enterprise (plant) toward the object it has in view and thereby endeavoring to obtain the best results possible with the forces available; *management* means therefore the assuring of the activity of the six essential functions. *Administration*, on the other hand, is only one of the six functions the activity of which is assured by management. It is therefore less than management. But the rôle played by administration in the hands of the principal leaders, the managers, is so important that management at times appears to be merely an administrative function.¹⁵

By "administrative function" Fayol means "foresight, organiza-

¹⁵ See Fayol, *op. cit.*, p. 12.

tion, command, coordination, control." These elements Fayol characterizes as follows:

"The essence of foresight is *planning*. An accurate and complete knowledge of the past and the present enables us to draw conclusions respecting future probabilities and possibilities and respecting development, improvement or reduction.

"Organization is the determination and realization of the general structure of the undertaking in keeping with its objects. It means giving the whole its proper form and each detail its proper place, determining the frame and filling it with content, assuring a precise division of administrative labor, giving the undertaking every necessary performance and accurately determining its sphere of activity. It is in this way that organization carries over into life the theoretical conceptions of foresight.

"Execution consists in commanding and insuring coordination. Command means bringing into action all the organs which foresight considers necessary and organization has created. With command, the role of authority and responsibility, of initiation and discipline, is begun in all phases alike.

"But the giving of orders would not suffice to insure the execution of the will of the chief unless it were supplemented by the effort to insure coordination. Coordination means the introduction into the whole of harmony and equilibrium and the giving to things and acts their due proportions. It means the application of means to the end, the unification and levelling of the various efforts, the establishment of a close connection between the several sections or departments which, though they have different tasks, meet in the common aim.

"Control is what is meant by an inquiry into results. To control is simply to convince ourselves that at all times everything is carried out in keeping with the accepted program, the order given and the principles in force. The work of control compares, discusses, judges, and endeavors to enhance foresight, to simplify and strengthen organization, to increase the perfection of command and to facilitate coordination."¹⁶

¹⁶ See Second International Congress of Administrative Sciences, Brussels, 1923, Proceedings, Goemaere, editor, 1923, p. 17.

These definitions are so precise that they prove, not only the depth of thought of the author, but also his great power of expression.

Taking this definition, we find it not the exclusive privilege or the personal duty of the head of the undertaking; it is a function divided, like the other five functions, between the head and the members of the corporation.

The technical function does not end with the worker or with the engineer, but reaches up to the leader of the undertaking. On the other hand the administrative function is not the exclusive business of the head; it is shared by the subordinates. But the ratios of participation by the head and the factors of lower grade respectively vary considerably in the execution of the various functions. The establishment of this fact Fayol considers exceptionally important.

The table given below shows the relative importance of the various qualifications required in the personnel of a big industrial undertaking.

It will be seen that with the workers the greatest importance attaches to technical qualifications and expert knowledge. The importance of administrative ability increases and that of technical ability decreases gradually as we go up the scale. For the heads the most important faculty is administrative ability. Fayol regards this result as fundamental and of general application. In all plants the

Category of Employees (Functionaries)	Admin- istra- tive Expert	Tech- nical Expert	Com- mercial Knowl- edge	Finan- cial Knowl- edge	Insur- ance	Account- ancy	Total
In big undertakings:							
Workers.....	5	85	—	—	5	5	100
Foremen.....	15	60	5	—	10	10	100
Work Overseers.....	25	45	5	—	10	15	100
Head of Department...	30	30	5	5	10	20	100
Technical Director....	35	30	10	5	10	10	100
Director.....	40	15	15	10	10	10	100
In Amalgamations of Plants:							
General Manager.....	50	10	10	10	10	10	100
In State Concerns:							
Minister.....	50	10	10	10	10	10	100
Head of State.....	60	8	8	8	8	8	100

most important qualification for the lower-grade factors is professional technical ability; for the heads, administrative ability.

Of particular interest is the conclusion drawn by Fayol from the above figures. He says that the six functions must all operate well to insure the prosperity of any concern. If one of these functions is not working, the enterprise suffers a loss and may indeed fail in consequence. It is necessary therefore that the personnel of any given undertaking should be capable of performing the six functions, inclusive also of the administrative function. It is surprising, however, that public opinion is quite ignorant respecting administration, great as is its importance. It is unable to judge administrative actions; and this ignorance leads to strange consequences, e.g., where the head of a concern may not infringe certain fixed rules in technical questions without risking the loss of his authority, while in administrative questions the same head may with impunity apply even the most incorrect procedure.¹⁷

The trouble, according to Fayol, lies in the fact that the administrative ability can, and indeed must, be acquired in the same manner as technical ability—first in school and then in practice. Nevertheless administration is not taught anywhere, not even in the colleges nor in the professional colleges. How is that possible? There must be some serious cause; and that cause is simply that there is no theory of administration. Where there is no theory, there is nothing to teach. Eminent heads have neither the time nor the ambition to write; and they usually disappear without leaving behind them either theories or even disciples. And it is really not the duty of eminent chiefs to contribute to the elaboration of an administrative theory. But Fayol considered the supplying of the deficiency so important that he attempted to fill the gap. This was how his *Doctrine Administrative* came into being.

Fayol proceeded to expound his views respecting the principles and elements of administration, starting from the following points.

The organ and instrument of the administrative function is the personnel. Whereas the other functions are occupied with mate-

¹⁷ See Fayol, *op. cit.*, p. 22.

rials and machinery, administration means human direction. For the spirit and activity of machinery, administration means human direction. The spirit and activity of the personnel depends upon the observation of certain principles with which he deals in detail, though he emphasizes that in the matter of administration there is no place for rigidity or for the absolute, because everything in it is a question of measure. Measure (proportion), which is the fruit of tact and experience, is one of the most important qualities of an administrator.

The number of principles of administration is not final. The most important treated by Fayol are the following: division of labor, authority and responsibility, discipline, command, and uniformity of management, subordination of private to public interests, giving the full equivalent of labor, centralization, hierarchy, order, equity, the permanency of personnel, initiative, agreement of personnel. The above list of subjects only serves to show the tendency of the discussions to be found in Fayol's book, without thereby having made a study of that book superfluous.

§ 8. QUANTITATIVE INCREASE OF ACTIVITIES OF THE STATE

The foregoing sections show the enormous industrial development, which is a product of the age of capitalism, acquiring such exceptional influence. It has all been achieved during the last hundred years. After 1870 capitalism on a large scale developed; after 1900, as a consequence of further rapid technical development, imperialism took form. We have seen, therefore, that the spheres which made themselves independent of the State passed through profound changes afterwards. During the same period the Constitution of the State hardly changed at all in essence. The system remained the same as before the development of industry, a system which had developed at a time when these new tasks and social dimensions were still unknown. The enormous increase of the population and the social and economic changes naturally affected the life of the

State too. They meant a gradual quantitative increase in that life, though without any profound qualitative changes having resulted therefrom.

The main characteristics of the increase are the following:

A. The State, which previously had regarded as its main task the provision of internal and external defense, the administration of justice, and the maintenance of the army and police system, gradually undertook a constantly increasing number of other duties. Building roads, bridges, and railways, the development of communications, the establishment of schools, the creation of museums, theaters, research institutes, and various other cultural tasks were undertaken by the State. For the furtherance of human and animal hygiene, medical and preventive measures were introduced, hospitals and mental diseases institutes established. To further agriculture, forestry, and animal breeding, various tasks were undertaken; the regulation of rivers and inundation areas, the augmentation of fertile territories, the improvement of products (produce), the testing of seeds; marketing the harvest yield. The regulation of currencies and the creation of credit institutions were regarded as tasks devolving upon the State, as were various social duties such as social insurance against accidents, sickness, disablement and old age, a system at first confined to industrial workers but then extended to agricultural laborers and later again to all classes of society. In many cases it included insurance against unemployment. This enumeration is not, and indeed cannot be, an exhaustive one. These sketchy characteristics will however suffice to show the scope of the development. This development, which began on a large scale in the nineteenth century, consisted in the undertaking of tasks for which no political power is needed, which cannot be solved at all by political power, since tasks of a technical character can be accomplished by other factors than the State. The State for that very reason does not exercise nor claim any monopoly in respect to them. It follows therefore that these tasks cannot be performed by the State itself except by the aid of their own peculiar technique. Education, medical treatment, communications, production, etc.,

require of the State or towns engaging in such work not only power but technical qualifications also.

B. These new tasks gradually undertaken by the State have not involved any extension of the sphere of legislative or judicial authority or any increase of their dimensions; they all belong to the field of executive power. As a consequence there has been a considerable shifting in the respective ratios of the three powers in favor of public administration, which shows a disproportionate development, while the other two stagnate. This explains how the relation between the three chief functions, which early in the nineteenth century were coördinated and in balance, has lost its equilibrium. Due to these profound changes, the maintenance of this relationship will become more and more difficult—or even impossible.

C. This increase in the field of public administration leads to an increase of centralization—taking that word to mean “deconcentration” too; i.e., the performance of public tasks by the State or by State organs. Centralization has increased in two ways: first, by the State undertaking new tasks as they arise, and working out their solution which is then placed in the hands of its own organs; and secondly, by public tasks previously performed by self-governing local State authorities being declared to be the duty of the State and therefore withdrawn from the scope of activity of the self-governing authorities. The advance of centralization is present in all countries, though there are divergences in respect both to the extent of centralization and to the tasks to which it is applied.

D. Despite this constant increase there is no decrease of decentralization and of the tasks devolving upon the self-governing authorities. The explanation is that the increase in volume and number of the tasks devolving upon public administration exceeds the measure of the development of centralization. This shows the eternal problem of centralization and decentralization appearing in a new form with fresh light thrown on it. As a consequence of the development of the large dimensions of public administration the central power cannot undertake everything and has to make its selection of tasks. It is driven by the need of dividing labor to cede some to decentralization, to the self-governing authorities. So

centralization is unable to absorb the self-governing bodies; the ability to do so lessens in proportion to the growth in the dimensions of public administration. The recognition of this fact is calculated to help neutralize the antagonism between centralization and decentralization and stop the waste of energy caused thereby.

The widening of the sphere of action of decentralization is shown by the fact that, in addition to the various forms of local governments, e.g., villages, towns, and provinces, there is a constant increase in the number of autonomous corporations, especially those representing professional interests which are not only recognized but actually initiated and established by the State. The original forms of these corporations are the chambers of commerce and industry, to which must be added organizations of various other professions, agricultural, advocates', medical, engineering. These have recently been augmented by new types of organizations, such as the various social organizations and the multifarious organizations of employers and employees acknowledged by the State and indeed in many cases entrusted with the performance of public tasks. The latter category includes the "*öffentlichrechtliche Körperschaften*" (corporations enjoying the rights of public bodies) which have recently increased in number in Germany ("*Reichsnährstand*," "*Reichskultur-kammer*," "*Arbeitsfront*," "*Akademie für Deutsches Recht*," etc.) and the "*Berufsstände*" of Austria. Under the new Austrian Constitution dated April, 1934, the number of these is seven. The same category includes also the Italian syndicates, federations and confederations of employers and employed, and the corporations. We may include also some of the "independent agencies" of the United States.

These groups will be understood when we remember that the tasks entrusted to them have been declared by the States to be public tasks, but that the State at the same time adds that it will not itself undertake them. It converts these task into public administration, but does not centralize their performances, entrusting that to autonomous bodies. For that there are well-considered technical and psychological reasons, though that does not alter the fact that as a consequence of the great increase in the field of public admin-

istration, centralization needs the help of decentralization to effect the division of labor.

E. The numerical expression of the extent of the increase is found in the budgetary figures. Below will be found the figures of the budgets and closing accounts respectively of several States for a period covering several decades. The increase will be found to be due almost exclusively to the increase in public administration. For completeness' sake we ought to add the budgetary data of the territorial self-governing authorities; but the collection of those data—particularly in respect to the past—is more difficult. We are therefore compelled to abandon the idea of publishing a statement of the total joint expenditure of the State and local authority administrations, though we must point to the importance of doing so in the hope that later researches will make up the deficiency.

SWITZERLAND

ADMINISTRATIVE EXPENDITURE (EXCLUSIVE OF EXTRAORDINARY EXPENDITURE AND SPECIAL FUNDS) OF THE FEDERATION AND THE CANTONS

Year	<i>(Amounts in 1,000 Francs)</i>					
	Swiss Federation		Cantons		Total	
	Receipts	Expenditures	Receipts	Expenditures	Receipts	Expenditures
1850.....	4,658	4,574	—	—	—	—
1875.....	18,608	19,435	—	—	—	—
1900.....	58,518	60,242	121,038	121,646	179,556	181,888
1910.....	96,421	90,885	185,455	188,442	281,876	279,327
1920.....	177,361	276,898	475,692	525,360	653,053	802,258
1930.....	433,106	426,374	642,218	638,195	1,075,324	1,064,569
1934.....	453,585	480,246	632,543	672,535	1,086,128	1,152,781

BELGIUM

Year	STATE BUDGET	
	Receipts	Expenditures
1835.....	91,075,226	87,404,005
1850.....	132,877,188	118,730,905
1875.....	278,711,587	292,222,496
1900.....	542,778,104	574,458,192
1910.....	815,404,779	829,456,267
1920.....	3,767,345,000,000	10,943,642,000,000*
1930.....	11,689,514,000,000	12,659,150,000,000

* Of which 4,944,533,000,000 covered by stipulation of the Peace Treaties.

GERMAN EMPIRE

EXPENDITURE (ORDINARY AND EXTRAORDINARY) OF THE EMPIRE (REICH)

1875—closing accounts.....	615,943,178 marks
1900—closing accounts.....	2,199,642,592 marks
1910—closing accounts.....	3,024,260,829 marks
1920—closing accounts.....	145,254,696,098 marks
1930—closing accounts.....	11,877,248,800 marks
1934—Estimates.....	6,458,281,600 marks
1930—aggregate (ordinary and extraordinary) expenditure of member states.....	5,139,047,000 marks

HUNGARY

TOTAL EXPENDITURE

1868.....	302,803,108 pengő
1880.....	602,038,627 pengő
1900.....	1,229,757,845 pengő
1910.....	1,848,808,358 pengő
1919—Treaty of Trianon severs from Hungary 67.3% of her territory and 58.4% of her population.	
1930-31.....	1,398,130,000 pengő
1937-38.....	1,267,025,000 pengő

UNITED STATES

FEDERAL BUDGET EXPENDITURE

1800.....	\$ 10,786,075
1850.....	39,543,492
1870.....	309,653,561
1900.....	520,860,847
1910.....	693,617,065
1920.....	6,482,090,191
1930.....	3,994,152,487
1934.....	7,105,050,085

§ 9. SYMPTOMS OF CRISIS IN THE STATE

A. Parliamentarism was transplanted from Great Britain to the Continent by the French Revolution. On the Continent, however, torn from its native soil, it did not lead to the same results and did not develop in the same direction.

Parliamentarism led to the formation of more and more parties in proportion to the extension of the right of suffrage. As a consequence the two-party system which had assured a healthy par-

liamentary regime of alternation of parties came to an end; instead, the parliamentary majority was formed by the coalition of several small parties. The parties do not owe their existence to any comprehensive governmental program, but are the forms of expression of unsolved problems. In keeping with their name (*parts*) they represent partial solutions and often succeed in winning only a fraction of the electorate. The negotiations essential for the creation of a government majority formed of several parties often result in a curtailment even of these partial programs. As a consequence rigid solutions in the form of compromises are propounded to facilitate the formation of coalition governments, the members of which represent various parties. The compromises have to be observed so thoroughly and to such a degree that serious action, the solution of great national problems, is rendered impossible, since the moment there is a divergence of opinion between the parties on any question, the coalition falls to pieces and the government has to resign. The only questions the solution of which are assured, are those in which there is no divergence of opinion. Unanimity is attainable in many cases only negatively in the determination *not* to solve some question or to postpone attempting the solution. Realization of this fact led to a constantly increasing dissatisfaction with parliamentarism; in Continental Europe it is quite usual today to speak of the failure of parliamentarism. Indeed, the Russian, Italian, and German revolutions and the new Austrian Constitution of 1934 all alike make the elimination of parliamentarism an important point in their program.

B. In those States in which the system of parliamentary government has been introduced and the parliament (popular representative assembly) is entitled personally to criticize the Government and its members and call them to account, what has happened is that the supreme control of public administration has passed from the hands of the Head of the State into those of Parliament. The Head of the State has retained what is only nominal power, although the Members of the Government are legally responsible to him as they are to Parliament; for example, the King of England

and the President of the French Republic. Of the two branches which were originally equal in rank, Parliament—in particular the Lower House—has obtained a dominant influence. The attitude of Parliament in the selection of the Ministers and other Members of Government is, however, dictated solely by party interests and is quite unable to judge of or to give preference to technical qualifications. An open confession is the fact that since the development of a professional bureaucracy, its members are required to possess technical qualifications, while for their chiefs, the ministers, this requirement is expressly waived, so that any member of Parliament may be a minister.

However, as a consequence of the increase in the number of State tasks, the function of chief executive in Government is constantly growing and becoming more difficult; the result being that this purely political method of selecting ministers is becoming more and more unsatisfactory. The frequent change of government interrupts the execution of programs requiring time and systematic action. Where the changes are merely in certain persons, the Governmental body, the other members of which remain, may even in the event of a partial renewal continue its action without interruption. In this case, the corporate form of government may lead to better results than the regime of individual authority, since it permits coherence of action. Parliamentarism, however, regards the defeat and complete change of government as the triumph of a political principle, thereby renouncing what is the greatest advantage of the corporate system.

C. As we have seen, the State absorbs more and more functions thereby considerably enhancing centralization. Where a ministry is under the control of an energetic and ambitious minister, that minister is usually able to utilize his political weight for the purpose of expanding the sphere of activity of his ministry by nationalizing some public task or other. This increase of nationalization, however, which may be shown to have been in force in all countries alike during recent decades, does not at the same time mean the solution of functional centralization. The affairs absorbed by the State re-

main in juxtaposition, so that nationalization means simply an expansion of power. "Territorially, the government of France is an example of advanced centralization; functionally, it is anything but that."¹⁸

The hierarchy of public administration is headed by the several ministers. The machinery of public administration has therefore many heads; and there is no head of the staff of civil servants as a whole. The ministers discuss certain questions at cabinet councils presided over by the Prime Minister as *primus inter pares*. The Premier cannot, however, in his own name and on his own responsibility institute measures embracing the whole public administration.

The result is therefore *centralization minus integration*.

These symptoms are less in evidence in the United States where the so-called "strong executive" system in the Constitution insures the President a legal status which has perhaps never, except for the temporary position of a dictator, been the prerogative, continuously and constitutionally, of any other Head of the State. This was done deliberately, as is pointed out by the comment of Hamilton, who in writing of this provision of the Constitution says: "The leading element in the idea of good government is the strength of the executive power."¹⁹ That is why particular importance has been attached to the following four provisions: 1. Political independence—i.e., the Head of the State must not be subject to election by the legislature, but must receive his mandate direct from the electorate, to which alone he is responsible, his reelection depending upon the verdict of that electorate. 2. The power of government has been intrusted, not to a corporate body but to a physical person, the Chief Executive, because corporate bodies are unable to act, being weakened by internal conflicts and jealousies and paralyzed by the machinations of their members. A single man either acts or not; his responsibility is undoubted, and he cannot use the dilly-dallying of the

¹⁸ Sharp, *The French Civil Service, Bureaucracy in Transition*, New York, Macmillan, 1931, p. 32.

¹⁹ See Charles A. Beard, *The American Leviathan, The Republic in the Machine Age*, New York, Macmillan, 1931, p. 247.

others as an excuse, which is always possible in corporations. 3. The President is not a member of Congress, does not attend its meetings, is alone responsible for the government, and himself places leading men of his own (secretaries of state) at the head of the various departments. These men are also not members of Congress, although that is not precluded by the Constitution, and indeed are not allowed to be, because such a procedure would weaken the power of the President over Congress, as may be seen from the cases of parliamentary governments in Europe. 4. Of importance is the provision to be found also in the Constitution which fixes the period of office of the President at four years. During this period, which is long enough, the President cannot be removed except by impeachment, should he give any cause for such action. Here, therefore, there is no possibility of turning out the government; nor can legislative crises of incalculable character give rise to any unexpected interruption of political life.²⁰

The value of these provisions is that they have proved able to reconcile the principle of responsibility to the people, the assertion of the principles of democracy, with the stability, force and unification of the executive power.

D. In the field of State life all the world over, we find a shifting in favor of public administration leading to an increase in the authority and influence of that administration to the disadvantage of the legislature. The result is the preponderance of the executive power. An American scholar describing this phenomenon says, very tellingly, that, owing to the increased demand for technical qualifications, the influence of the legislature on public administration is beginning to be as limited as in the case of a war, when its function is restricted to the declaration of war, while the strategy and the plans of action in dealing with the enemy are in the hands of the army leaders without any influence being exercised thereon by the legislature.²¹ As a consequence, the balance of the chief functions of the State and primacy of the legislature demanded by the liberal State, cannot any longer be maintained. It has indeed for the most

²⁰ Beard, *op. cit.*, p. 197.

²¹ See Luther Gulick, "Politics, Administration and the 'New Deal,'" *Annals of the American Academy of Political and Social Science*, Sept., 1933, p. 65.

part ceased to exist; it is a mere fiction to reckon with it as if existing.

E. A most striking symptom of the shifting legislature and executive power is the noteworthy development of the right of the government to issue regulations. This right is being expanded on the one hand by the issue of ordinances (orders in council) explaining, supplementing, and regulating the execution of legal rules created by the legislature; on the other hand by the legislature empowering government, in cases where such procedure is necessary, to solve tasks previously regarded as belonging to the sphere of authority of parliament, e.g., to amend laws by ordinance for economic or other reasons.

The increase in number of legal rules or regulations, which is a consequence also of the legal positivism referred to, must inevitably be accompanied by increased difficulty in finding one's way through the maze of regulations. Ascertaining which legal rule is in force either means intrusting the adjustment of the rules to the executive power, which is a further shifting of authority, or leads to the legal rules being ignored altogether.

F. The charges on the public finances have increased in keeping with the increase in the number of public tasks. This applies also to the local government bodies. However, during economic crises, such as ensued all over the world immediately after the Great War and after 1929, the demand for economy and greater saving increases. It becomes imperative to introduce economy in the budget by reductions, by canceling certain items of expenditure, and the liquidation of schemes. This economy is carried out only gradually by the governments. The amount of the budget is repeatedly reduced, this being usually done by several governments in succession. This demand is continuously in evidence; the electors show a constantly increasing insistence in that respect, and the reduction has no objective limits. The increase was effected, for the most part, irrationally and in a slipshod manner, not as prescribed by the dictates of economy and efficiency. The work of reduction was started just as irrationally as a party catchword or under the pressure of economic exigencies, while public administration did not direct the

process in keeping with any objective considerations. No data or arguments were available to show the amount of labor and expenditure needed for the effectuation of a given administrative task or the volume of performance which the public administration apparatus was expected to accomplish.

The work of reduction has more difficulties to contend with in the field of personnel than in that of "material." Professional bureaucracy means permanent employment, and in the event of the reduction of personnel all that happens is that emoluments for active service are replaced by pension charges. This consideration has turned the attention of competent authorities to the personnel problems of public administration. A professional, technically trained bureaucracy possesses many intrinsic advantages, as is evident from the extension everywhere of the system and from its stability. It is, however, undeniable that in those countries in which it was introduced many years ago, it is beginning to show symptoms of stagnation, old age, and onesidedness. Scientific management, on the other hand, which always bases its action upon facts, not on feelings or presumptions, has elaborated new methods of determining and increasing efficiency in the treatment of the personnel problem which are far superior to those hitherto employed in public administration.

G. The watchword in public administration of the period in which the liberal State developed was that the State should interfere as little as possible in economic life. With the development of organized capitalism this changed; and the economic life itself demanded increased interference on the part of the State. Public administration, not only in the villages and municipalities, but in the State itself, takes an active part in economic life through the agency of public utilities. Its ordinary organization is, however, insufficient to cope with economic tasks of this kind. New agencies have to be created, or the forms of organization of private economic life have to be employed by the administration itself in solving economic problems, such as firms, joint-stock companies, or co-operative societies. To-day we find everywhere joint-stock companies or coöperative societies serving public purposes, established on the

initiative of public administration. In respect to establishment, collection of capital, control, and their relation to the general public alike, these organizations enjoy privileges which change their character in civil law. The most important examples of this privileged class are the banks of issue, though we find a number of other examples everywhere: post office savings banks; certain banking companies; building credit coöperative societies, etc. Although they function as commercial companies, these institutions, because of the public tasks they perform, are granted privileges by the State and an exceptional legal status of a nature which makes it impossible to regard them as ordinary commercial companies. They are organizations of a mixed character, subject partly to civil and partly to administrative law. Establishments of this kind are to be found to-day in all countries still regarding themselves as liberal.

There are, however, many examples, bolshevism, fascism, "New Deal," to show that the State is prepared to undertake more extensive tasks than those we have discussed. That is why it is justifiable to say that economic life from being a private has become a public business. However, the machinery of the State up to the present time was not suitable for the direction of an economic life that had become a public business. The State did not possess the necessary organs; its government and its organization dated from a period when such tasks were still unknown.

§ 10. DEVELOPMENT OF THE POST-INDUSTRIAL STATE

The essential point of the development we have been surveying is that while a democratic-liberal system of government was evolving, the technical revolution profoundly transformed economic and social life. The scope of the State organization of the early nineteenth century was no longer adequate. The State machinery was not unchanged; there were many alterations in details. New agencies came into being to cope with the new tasks, or older ones were suitably changed for the purpose. But the framework and the atmosphere did not change. There was a horizontal increase, but no vertical development. There were forced changes, but no conscious

advance. People were all at sea about the expansive forces, and did not see the direction in which development should turn. That was the cause of the caution, the rigidity, the attempt to hinder evolution, the general feeling of uncertainty, the dissatisfaction with what existed, and the inability to provide a remedy.

One of the most important attempts to create a new form of State is the dictatorship of the proletariat, which equaled in importance the French Revolution. In its preparation, the literary work of Marx and Lenin had an influence which may safely be compared to that of Montesquieu. "The Soviet Republic is the political form for which we have so long been in search and which has at last been found under which the economic liberation of the proletariat and the complete victory of socialism may be realized."²²

Since the chief factor of development is the increase of the dimensions and the enhancement of the importance of public administration, we must examine that increase in detail.

²² Stalin, "Probleme des Leninismus," Vol. I, p. 52.

PART II

TRANSFORMATION OF PUBLIC ADMINISTRATION

§ 11. TWO TENDENCIES OF TRANSFORMATION OF PUBLIC ADMINISTRATION

THE essential point in the transformation of the pre-industrial into the post-industrial State is the "metamorphosis of public administration." This metamorphosis shows three tendencies:

1. A quantitative growth of public administration.
2. The qualitative transformation and further development of administration.
3. The advance in the relative importance of public administration as a State function.

§ 12. QUANTITATIVE INCREASE OF PUBLIC ADMINISTRATION

The quantitative increase of public administration manifests itself in the increase in the tasks devolving upon it, by the creation of new agencies, by the growth of expenditures, etc. A factor well calculated to express numerically the increase in public administration and to facilitate a comparison of the data of various periods and countries is the development in the number of professional civil servants.

Below we give the data of one or two States to be found in the respective national reports:

BELGIUM

Year	No. of Civil Servants in State Service*
1855.....	14,497
1875.....	22,133
1900.....	37,826
1910.....	50,038
1920.....	53,568
1928.....	61,407
1934.....	117,941

**No. of Employees of
Town and Provincial
Authorities**

1856	4,398
1880.....	13,132
1900.....	13,110
1910.....	17,315
1920.....	26,274

* Figures supplied by Prof. Bandhuin.

SWITZERLAND

Year	Federal Administration and Undertakings	Cantonal and Parish Administration and Undertakings	Total
1849.....	3,079	—	—
1852.....	3,622	—	—
1870-80.....	8,874	—	—
1900.....	19,877	—	—
1910.....	62,323*	61,074	123,387
1920.....	75,614	77,715	153,329
1930.....	67,653	85,597	153,250

* The great advance was due to the nationalization of the railways.

HUNGARY

Year	No. State Employees
1800.....	3,400
1870.....	22,273
1900.....	125,933
1913.....	204,240
1930.....	123,347

GERMAN EMPIRE

No. of Civil Servants in German Empire in 1933 (exclusive of Saar District)—1,396,000.

The Industrial State

UNITED STATES

Year	No. of Employees of Civil Executive Branch
1800.....	No Official Figures
1850.....	No Official Figures
1870.....	No Official Figures
1900.....	No Official Figures
1910.....	No Official Figures
1920.....	691,116
1930.....	608,915
1934.....	661,094

GREAT BRITAIN*

The personnel of the Civil Service in 1929 aggregated all together 434,000 employees distributed in categories as follows:

A. Industrial workers.....	122,000
(Employed in Dockyards, Woolwich Arsenal, Post Office, Engineering Department, Office of Works, Stationery Office, etc.)	
B. Manipulative staffs.....	178,500
(Employed mainly in Post Office)	
C. Messengers, porters, charwomen, etc.....	16,500
D. All other grades.....	197,000
(Typists; shorthand typists; writing assistants; clerical grades; executive officers; inspectorates; professional scientific and technical officers; administrative, diplomatic and consular officers, etc.)	

Total..... 434,000

* See Royal Commission on the Civil Service 1929. Introductory Memoranda relating to the Civil Service. Submitted by the Treasury. London. His Majesty's Stationery Office, 1930, p. 3.

FRANCE*

	1914	1921	1927
Permanent functionaries.....	351,961	402,279	400,156
Auxiliary and temporary employees.....	18,583	70,239	52,162
Industrial workers.....	94,943	146,465	94,830
Total.....	465,457	618,983	547,148

* See W. R. Sharp. *The French Civil Service. Bureaucracy in Transition*. New York. Macmillan, 1931, p. 18.

These data are rather deficient, because in the past usually no attempt was made to collect statistics, nor is that work systematized even to-day in every State. Moreover, the procurement of data relating to non-State employees (employees of self-governing bodies, parishes, municipalities and corporations, etc.) is even more difficult than that of the data relating to State employees.

A glance at the data shows, however, that there has been a general uniform advance in all States alike in the number of civil servants, which has doubled everywhere since 1900, and since 1850 has risen to eight or more times the original number. This advance is considerably in excess of the increase in population and is a sound gauge of the enormous growth of public administration.

§ 13. FORMATION OF A PROFESSIONAL BUREAUCRACY

One of the most significant phenomena accompanying the quantitative change of public administration is the general acknowledgment in the nineteenth century of the absolute superiority and indispensable character of a professional, technically qualified bureaucracy as contrasted with a system of political officials elected for a certain fixed period. The appointment of permanent, technically qualified officials has always been due to the desire to increase efficiency alike in the State and in the local government (parish, municipal) administrations. We must glance cursorily at the development, for it affords an important aid to an appreciation of the problem of the Chief Executive.

The desire for technically qualified officials always originates from some well-informed head or chief. A chief of this kind possesses all the knowledge essential to a solution of the task intrusted to his care. He never attempts to solve that task individually or unaided if he knows that it is beyond the power of a single man; he will endeavor to provide collaborators who shall perform the work just as well as he could. That is why he is intent upon training and teaching those fellow-workers. When the task crops up again, he will use every effort not to employ a different personnel each time, for he would have to do the training all over again, but to retain the personnel which he has already taught to do the work. The knowledge and usefulness of a permanent personnel are enhanced also by the mere routine. It may, however, be still better improved by professional training. In positions insuring permanent employment and a life work, applicants may be required to obtain part at least of their professional training before entering the service. These increasing demands, together with the energy and the cost

invested in obtaining the preliminary training, naturally increase the demands of the employees. That is why permanent employment as a system has been fought for and achieved, as a system giving employment which cannot be ended at any time according to the pleasure of the employer, but ceases only in the event of certain disciplinary offenses, or of disablement. Another demand of employees was the claim to insurance against old age and disablement by a pension payable to everyone after blameless service, until disabled or unable to work. A further claim is the extension of the right to a pension to widows and orphans, who are not provided for, for the purpose of enabling civil servants to function in the public service with absolute concentration and without suffering from the worries incidental to providing for their own future and that of their families.

This system of professional civil servants has always been encouraged by absolute monarchy. The conditions favorable to that development were all to be found in the person of the sovereign. He exercised individual authority which he did not share with anyone. He exercised that authority for life, which assured an uninterrupted consistency lasting over a prolonged period. He ruled in person; and that must have developed in him personal understanding and an appreciation of the claims he had to make on his collaborators. Every decision was followed by action, and what had been initiated by a predecessor, the successor in his own interest maintained and continued. What proved successful in one State was taken over by the others, particularly from the consciousness that a permanent staff of administrative officials increased the strength of the ruler against his political enemies. That is why the institution of professional bureaucracy spread over the whole of the continent of Europe in the eighteenth century.

§ 14. DEVELOPMENT OF BUREAUCRACY IN ABSOLUTE MONARCHIES

Professional bureaucracy has attained a high stage of development during two periods of history. The first was that of the Roman Empire, when the Emperors, from Augustus to Diocletian,

with the assistance of professional officials, maintained for centuries an enormous empire already in a state of dissolution.

A late offshoot of public administration in the Roman Empire was the organization of the Roman Catholic Church, developing in the towns. The office of teacher and the administration of the estates of the Church led to the formation of a special ecclesiastical, professional class of officials appointed for life. With the introduction of the obligation of celibacy, the Roman Catholic Church secured a means of increasing the devotion of the priests forming her own professional civil service not at the disposal of any other organization.

The second period was from the fourteenth to the seventeenth century when the French kings, the Dukes of Burgundy and Austria, and later on the princes of the bigger German vassal States, endeavored in succession, with the aid of professional officials, to develop a modern constitutional and cultural State out of the feudal State.

In the Middle Ages, as against the great Roman Empire, we find small States. The princes of these States endeavored to replace the hereditary organs of the feudal system, organs whose sense of duty was very shaky, by the appointment of more efficient permanent officials during the development of a finance system and by the idea of a division of labor. They wanted to increase their power by a gradual development and to assert that power both against the recalcitrant petty kings and the growing power of the Estates. It began in France. St. Louis had only four scribes. In the sixteenth century 300 secretaries are already found engaged in the royal chancellery. From the thirteenth century onwards, in local administration also, the king appointed bailiffs in all the countries in which he was victorious. By uniting in their persons the administration of justice, the police system, the royal finances and the military command, the bailiffs became professional officials upon whom the lesser local officials—the “prevots” (provosts)—depended. This organization was further differentiated; and Schmoller¹ does not hesitate

¹ Schmoller, G., “Über Behördenorganisation, Amtswesen und Beamtentum im Allgemeinen und speziell in Deutschland und Preussen bis zum Jahre 1713,” *Acta Borussica, Behördenorganisation und allgemeine Staatsverwaltung*, Vol. I, 1894, p. 36.

to declare that the absolute monarchy of Louis XIV "shows in reality an official aristocracy of professional officials and in a narrower sense a victory of the bourgeois State councils and financial officers over the juristic 'noblesse de la robe' (gentlemen of the robe) and the older feudal nobility.

"There can be no doubt that the greatness and power of older France was established in reality by a small number of significant princes and statesmen. These men were themselves only the culmination and the final result of that development which during a continuous effort lasting five hundred years—from 1200 to 1700—created the monarchic officialdom. The abilities and virtues of that class of professional officials had gained the upper hand. And these forces were the direct results of the great advance in respect to the division of labor among the various offices, the adjustment of the question of competence, the training and teaching of officials, the development of administrative law and the career of civil servants."

The term *bureaucracy* is of French origin, as is the bureaucratic system too as opposed to the collegiate system. The origin of this bureaucratic system is explained as follows by J. N. Bischoff: "The most important branches of the State administration were, as a consequence of the organization of public administration elaborated by Richelieu, Louvois and Colbert, entrusted to individual ministers each of whom had a so-called 'bureau' at his command in which business was transacted by several higher and lower officials who acted, not collegially but as subordinates of the respective ministers. The chief (head) clerks had in turn under their control an army of subordinate workers. With ministers changing as frequently as they did under Louis XV and XVI the new ministers were often forced to submit to the direction of the chief clerks, who thereby secured a preponderant influence which was frequently abused to the disadvantage of the State. This form of public administration was in France nicknamed contemptuously '*bureaucracy*.'"²

In Germany the progress of humanism was accompanied by a

² "Handbuch der deutschen Canzley Praxis," Helmstedt, 1798, Vol. I, Part II, p. 72. Cf. *Hatschek*, P. "Englisches Staatsrecht," 1906, Vol. II, p. 135.

spread of the knowledge of Roman law. Since, in Germany, national law had declined to the position of the local law of small countries, because it was not protected or developed by any strong imperial power, Roman law was adopted. The acceptance of Roman law was already achieved in the sixteenth century. The development of law which followed consisted in the reciprocal effect of the adopted Roman and the original German law on each other. Roman law propagated new conceptions respecting the power of the sovereign and the duties of subjects. The spread of the Reformation movement was to the advantage of the "Landesherren" (squires) also, since it made hundreds of priests and teachers their servants. And when the aulic councillors (Hofräte) and civil officials who had studied law and taken legal degrees and the councillors who had taken degrees in theology or arts increased in number in the princely courts, they compelled the nobility also to pursue university studies in constantly increasing numbers. Hereby there developed a new method of princely government, of legislation, financial administration and management, a new tradition based on technical qualification and expert management of business. The prince who had previously settled all matters unaided was compelled to recruit the assistance of advisers and auxiliaries, to whom more and more matters were transferred. These advisers gradually formed into a permanent corps—a *collegium formatum*—which in certain matters acted as permanent deputy of the prince and in time broke up into permanent departments, for the administration of justice, finances, religious affairs, war, foreign affairs. In this way forms, spheres of authority and office procedure all became stabilized. When the jurisdictions of these bodies became fixed, they could be made responsible. In Germany between the beginning of the thirteenth and the middle of the sixteenth century we find "*Hofordnungen*" (Court Regulations) containing instructions for the use, not only of the princely households but also of all court officers and the chancellery. The draft "*Hofordnung*" prepared by Maximilian in 1498 no longer mentions any household, containing only instructions for the guidance of officials. This was the origin of the special "*Kanzleiordnung*" (Chancellery Regulations).

The princely power developed parallel with that of the Estates, the development being a gradual one. Indeed, it eventually got the upper hand since the permanent organization of professional officials showed a far greater and better capacity than had previously been in evidence due to the organization and the division of labor in force.

The Elector of Brandenburg (1640-88), who laid the foundations of Prussia of later times, had to face a serious problem of organization when uniting countries and provinces. The practical requirements of the new situation gave rise to a new solution prepared by a man with a natural gift for organization. He began the establishment of centralization by means of an organization of professional officials, and that led to a definite and final victory of the princely officials over the dilettantism of the organs of the Estates. From 1660 the army was also kept in service; the excise system and a privy council were organized.

At that time the officials received for the most part payment in kind, besides gifts, office fees, and dues and—partly in kind—full board. To further the development of good clerks and good staffs of officials, it was desirable to change to payment in cash, though that was out of the question until there was a well organized excise system assuring the State a sufficient permanent revenue. This situation ensued in Prussia after 1713, in the reign of Frederick William I. The adjustment of salaries was however only one of the means of developing the staff of officials. Other important means to that end were a method assuring judicious selection and a system to direct the officials properly by means of administrative law (*Amtsrecht*).

It was only after 1713, that there were again applied energetically three principles guiding the selection of officials: 1. The examination test; 2. The right of nomination by the heads of offices who were personally responsible for their nominees; and 3. The principle that the lowest offices were to be filled only by probationers and that a condition of appointment to any of the higher offices should be service for a certain given period in certain lower offices. An attempt

was made by means of a gradual improvement of the method of selection to approach the ideal of earlier times—viz. that government should be in the hands of the most capable, the most discriminating and the best.

"In the case of professional officials what has to be done is to prevail upon men who after all think primarily of themselves and of their enjoyment to throw themselves eagerly into the service of the public and to hold office without yielding to injustice partly by the aid of certain lures of egoism, partly with the help of conceptions of honor and duty inculcated by education, and also by legal institutions. And it would appear that in the course of historical development vulgar and sensual bribes were replaced more and more by moral and legal means of development."³

"In default of a high measure of discipline, severity and rigor, the building up of armies and of States must prove futile. Good remuneration, the encouragement and rewarding of loyal and capable elements, exclusion of bad elements, were adopted as the principles of the Prussian 'Beamtenstaat' (bureaucratic State) as of every great unified, aristocratic organism, particularly at the outset. That it was carried out to its uttermost extent in the Prussia of the eighteenth century, cannot possibly be denied."⁴

Bureaucracy in Germany under Frederick the Great (1740-86) attained a high level, far exceeding that of all the other countries. During the Seven Years' War Maria Theresa perceived the great achievement of the Prussian "Beamtenstaat" and was impelled by what she saw to reorganize her own empire.

The bureaucracy of Prussia, already fully developed in the second half of the eighteenth century, is well known to be the most highly perfected example of Continental bureaucracy, of a professional civil service. It developed in State service under the absolute monarchs. But it was indispensable and therefore did not come to an end even after the introduction of constitutional monarchy. It had to be taken over also by the local government public administration.

³ Schmoller, *op. cit.*, p. 118.

⁴ *Ibid.*, p. 135.

§ 15. DEVELOPMENT OF BUREAUCRACY IN CONSTITUTIONAL STATES

Ever since the introduction of constitutional monarchy there has always been a possibility of another Party taking over the reins of government as the result of its obtaining a majority at new elections. The staff of permanent, professional civil servants cannot, however, be removed from office by the new party government, for those officials did not belong to the party previously in power and their legal status is so strong that they cannot be removed from their offices for political reasons. As a consequence there devolves upon the staff of civil servants the obligation never to regard themselves as the servants of any party and never to show any readiness to render services to any party, neither to the one in power, nor to the political parties which preceded or follow it, but to consider constantly and without bias only the interests of the law, of the citizens individually and generally. This political neutrality is an important feature of the professional public administration of the European Continent. It does not, however, cause any difficulties in respect to the assertion of the political views of the party in power in political questions, since the civil servants are officially and hierarchically subordinate to the ministers, who are members of the majority party. Every minister, in his capacity as official head of the professionally trained staff of officials, is always able to assert the political views of his party. The professional bureaucracy is by virtue of its hierarchical subordination required to obey the wishes of the responsible minister and to utilize its expert knowledge and abilities for the solution of public tasks. The bureaucracy must have the "ability" (*Können*); and the minister, the "will" (*Wollen*). This obligation of political neutrality, this independence toward parties, is not confined exclusively to public administration personnel. It existed far earlier, and in even greater measure, in the army, which is forbidden to engage in politics. It is present to a very considerable degree among the judges also as a consequence of explicit provisions of the Constitution. In the countries where a professional

bureaucracy exists the judges are all professionally trained officials, who are not elected but permanently appointed by the Head of the State. It is their duty to put the law into practice impartially and with the professional competence of jurists. Their independence of Government is also insured by the provision of the Constitution which stipulates that no judge may be pensioned or promoted against his will or be transferred except by his own request. In disciplinary matters too he is subject only to the jurisdiction of the special disciplinary courts established by law. State employees in general (not only officers of the army or judges, but all public administration officials) receive their posts, not by election, but by appointment, and their promotion is also effected in a similar manner. The individual organ exercising the right of appointment, is the Head of the State (deeds of appointment being countersigned by the competent minister) or, by delegation, an agency subordinate to the Head of the State, usually the ministers.

In local government bodies, particularly in parish or municipal administration, the system of electing officials has proved able to maintain itself down to our own days. However, there have developed certain restrictions of the elective system, and a solution has also been found to provide that elected officials too shall be required to obtain the necessary technical qualifications. In the Hungarian law, for instance, the election of officials was for some time restricted to periods of five years. The renewals of the appointment of officials, however, did not coincide with the new elections of the representative assembly, so that the officials' election was independent of any eventual changes in the majority party. Only such persons are eligible as officials who possess the university or school qualifications prescribed. Officials may be reëlected as many times as desired. In the event of his not being reëlected, an official may claim the pension due on the basis of his period of service. The latest development, since 1929, shows that local government officials are still for the most part elected to office. The election is not, however, for a definite period, but for life; the obligation of submitting to re-election every five years has been dropped. Only in the case of the highest local government officials, the mayors of towns or

municipalities, is the election for a fixed period, though that period has been extended from five to ten years. There are, however, many local government officials whose employment and promotion are not effected by election, but by appointment. Some of them are appointed by the mayor, i.e., the elected official of the local government body; others, e.g., doctors and audit department officials, are appointed by an organ of Government. Thus, with local government officials, there is a system of election in force although there too all officials without exception are required to possess technical qualifications. In practice, local officials are just as permanent in character as are the State officials who receive their posts by appointment. In the Continental States, therefore, we find an almost exclusive application of the professional bureaucracy system. The officials of the local government bodies—although elected—are in very close connection with that system.

In the Continental States, however, in addition to professional, permanently appointed officials there are so-called "political officials." Their posts are subject, not to technical qualifications but to political confidence, and they may be removed at any time. Such "political officials" are the ministers themselves, and usually one of the secretaries of State in each ministry. They are called in Hungary "political secretaries of state"; in Germany the "Ministerialdirektoren" also. In most States they are also the State officials at the head of the chief political departments of the country, prefects, Oberpräsidenten, sheriffs, etc. The number of such officials is, however, a relatively small one.

§ 16. DEVELOPMENT OF PROFESSIONAL CIVIL SERVICE IN GREAT BRITAIN AND THE UNITED STATES

In the two Anglo-Saxon States, Great Britain and the United States, this professional and technically qualified type of civil servant is of quite recent growth. The establishment of this type of service may be dated only from 1855 in Great Britain and from 1883 in the United States. Since those dates, however, there has been a continuous increase in the number of posts which are not

filled by election every four years but the appointment to which depends upon the result of a competitive examination to be passed before a special board of examiners and not upon the majority of votes. It required various strong reform movements to bring matters to an issue and to secure the gradual replacement of elected and technically untrained employees—this system being originally regarded as best for the needs of democracy—by officials who had obtained a technical training and therefore demanded permanent appointment and whom the advance in the requirements of public administration made indispensable.

In Great Britain as far back as 1840 people began to see the need for technically trained officials. A Treasury Minute dated November 3, 1848, was the first official document to note how desirable it was for the Treasury itself to institute an inquiry into the changes in conduct of business needed "to secure the highest practicable degree of efficiency, combined with a careful attention to economy." This investigation was later extended to other departments. On the basis of these inquiries, Sir Charles Trevelyan and Sir Stafford Northcote attempted to determine the principles of Civil Service Administration in a report submitted by them on November 23, 1853. They were concerned chiefly with the investigation of two questions—what is the best method to use to obtain men for the public service and what is the best method of maintaining the efficiency of an office. For appointment they suggested an entrance examination, open to everybody, to be taken before a central board with a trial service. For tenure they suggested the differentiation of intellectual work from mechanical work and the frequent transfer of officials from one department to another, to enable them to obtain the greatest possible experience. They suggested that promotion should be based on merit, and that there should be guarantees to prevent any abuse of this principle.

Another event of importance was the introduction, also in 1853, at the suggestion of a committee presided over by the great Macaulay, of a system of appointment in the service of the East India Company by which all appointments were made subject to the can-

didates passing an entrance examination. Thus, in Great Britain it was in the service of the East India Company that professional public service was introduced.

These were the events that led up to the establishment, on May 21, 1855, by an order in Council, of the *Civil Service Commission*, a body consisting of three members appointed and removed from office respectively by the Crown. This Commission arranges entrance examinations for candidates for all openings in the civil service.

This was the decisive event: the introduction of the system of professional public service in the British Isles.⁵

Since then the system has been extended under the direction of the Treasury to the whole of public administration, and it shows a uniform development everywhere. The guiding principle behind this development is an endeavor to enhance "economy and efficiency."

The British system has undoubtedly exercised a powerful influence on America too, having been largely responsible for the adoption of a professional civil service in the United States.

The development of the American civil service is usually regarded as having begun with the establishment of the Union, i.e., in 1787, and is divided into three periods.⁶ The first period reaches down to 1829. During this period the terms of officials were not limited in point of time. They could remain in office during good behavior. The Constitution did not contain any restrictions in respect to the term of office of officials generally, only restricting that of the President and Vice-President to four years. The first President, Washington, had an exceptionally free hand in respect to appointments, since his task was to build up the State organization. He was expected to complete the organization of the public service and

⁵ See Robert Moses, "The Civil Service of Great Britain," New York, Columbia University, 1914, p. 324. See also "The Civil Service in the Modern State," Collection of Documents, published by the International Congress of Administrative Sciences by Leonard D. White, University of Chicago Press, Chicago, 1930; "The Civil Service of Great Britain," pp. 1-70. See also N. E. Mustoe, "The Law and Organisation of the British Civil Service," London, Sir Isaac Pitman and Sons, 1932, p. 300.

⁶ See A Brief History of the United States Civil Service, U. S. Civil Service Commission, 1929, p. 28.

to discover men likely to give the best work. There were no requirements of technical qualifications or political party or rotation; the chief thing was that everyone should do his work well. But we must not forget that in these early years the public service was so simple that no great number was required; and the few hundred, later on a few thousand, men needed did not play an important rôle in the social life of the nation. From time to time certain persons were dismissed, there being no legal obstacles to such a procedure. The number of persons dismissed by Washington was only 9, and those dismissed by his successor, John Adams, only 8; Jefferson dismissed 56, Madison 8, Monroe 25, and John Quincy Adams 6. During the first 39 years altogether only 112 persons were dismissed from the public service. In 1820, during the presidency of Monroe, a law was passed providing that officials should receive their posts for periods of 4 years, and must apply for reappointment every fourth year (the "Tenure of Office Law")—all officials being naturally réligible. No serious application of this law was, however, effected until nine years later, during the presidency of Jackson, who in 1829 replaced no fewer than 600 men. His successor, Van Buren, dismissed 49 in a single month, and Tyler 11 in a period of four months. We see, therefore, that from 1829 the number of dismissals effected assumed considerable proportions. Thus the second period began, the period known as that of the *spoils system*.

What was the cause of this change? First, during this period there developed the two-party system, the rotation in power of the Republican and Democratic Parties, which still rules unchanged. In the second place, the text of the law instituting the system of quadrennial reappointment was such that it could be carried into effect in a spirit deviating from that in which it was originally drafted. The original object of the law was certainly not to produce the consequences that actually ensued. The Secretary of the Treasury, William H. Crawford, who was responsible for the stipulation that the officials should be reappointed every four years, explained in a letter addressed to the President that he was guided in his action, and had been persuaded of the necessity of such procedure, by the

consideration that thereby everyone could on the occasion of the new appointments be compelled to render an account of the monies intrusted to him. In his opinion, this accounting was not attainable by any other means. Where the accounts were found to be in order, there would be no obstacle to reappointment. During Crawford's term of office there was, in fact, no abuse in connection with the right of reappointment. John Quincy Adams also, for political reasons, did not provoke any far-reaching changes, although the Four Year Law was already in force. In 1829, however, Jackson began to exploit the legal powers given by the law, though he acted on motives other than the ignoble ones which later made this system so notorious and so intolerable. In a statement justifying the large number of replacements for political reasons, he argued as follows: "There are, perhaps, few men who can for any great length of time enjoy office and power without being more or less under the influence of feelings unfavorable to the faithful discharge of their public duties. Their integrity may be proof against improper considerations immediately addressed to themselves; but they are apt to acquire a habit of looking with indifference upon the public interests and of tolerating conduct from which an unpracticed man would revolt. Office is considered as a species of property, and government rather as a means of promoting individual interests than as an instrument created solely for the service of the people. The duties of all public officers are, or at least admit of being made, so plain and simple that men of intelligence may readily qualify themselves for their performances; and I cannot but believe that more is lost by the long continuance of men in office than is generally to be gained by their experience. . . . Offices were not established to give support to particular men at the public expense. No individual wrong is, therefore, done by removals, since neither appointment to nor continuance in office is a matter of right. The incumbent became an officer with a view to public benefits, and when these require his removal, they are not to be sacrificed to private interests."⁷ So the action was taken on the ground of serious considerations based upon the experience of that period.

⁷ *Ibid.*, p. 70.

Jackson's decision to replace 600 men did not upset the whole public administration. But what happened under his immediate successors and in particular between 1845 and 1865, the period known as the height of the spoils system, had very little to do with serious considerations of this kind. As things stood then, each party wished to get its own men appointed to the offices. Consequently the chief motive for appointment to office was membership in some party, not the candidate's ability or the quality of his service. Partly in order to be able to reward as many party-men as possible, and partly in order to make it possible for men without technical qualifications to do the work, an endeavor was made to increase the number of offices and to distribute the work in a manner providing that no one should be given more difficult tasks than could be performed by simple party-men without technical qualifications. So the number of offices was increased on a large scale, and were allotted purely on the ground of political deserts. Since there was a party election every four years with the possibility that a new party would come into power, no one could count on more than four years in office, and therefore did his best to feather his nest during that period. This attempt naturally did not always prove successful; and could not be attained without injuring public interests. This system soon resulted in great social disadvantages. A large proportion of society became subject to the fluctuations of fortune and did their best during the short period of four years to earn—indeed “graft”—as much as possible during their uncertain existence. These excesses caused a reaction against the system and produced various attempts at reform. One source of the desire for reform was the insufferable character of the party tyranny which developed; the Minority Party in particular endeavored to stress the abuses, and to fight against them. The main source of the reform endeavors was, however, the experience gained about public administration, at home and abroad. Even at this early date, certain branches of public administration made demands with which men put into office purely out of party interests were quite unable to cope. It is noteworthy that in America, too, the financial administration was the first to demand that candidates for office should pass an entrance examination. This sys-

tem was introduced by the Treasury in 1853. In 1856 there were organized 25 consular posts, the candidates for which were required without fail to take an examination to enable the authorities to select suitable men. This was an attempt to find capable men. This system has ever since been known as the *merit system*. So we find two opposed and contradictory systems: the *spoils system*, selection by political influence; and the *merit system*, selection by examination, which was introduced in 1883. The final introduction of the merit system was due ultimately to a sad event. In 1882, President Garfield, who was convinced of the necessity of a reform of the spoils system, was murdered by a disappointed candidate for office. This assassination aroused public opinion so thoroughly that the spoils system was abolished. On January 16, 1883, Congress incorporated into law the motion submitted by George H. Pendleton, Chairman of the Reform Committee of the Senate, which is still known as the *Pendleton Act*. This Act ushered in the *third period*, which might be called the *period of the merit system*.⁸ The Act declared that an examination would be required for appointment to any office enumerated in the Act, which included most of the posts in the federal service. The object was to provide that the most suitable men should receive new appointments and promotion as well as the posts in the ministries and other leading departments, with the exception of the highest offices, which fell outside the scope of the Act, and that the selection of these men should be effected by a public, honest, and impartial examination. The examinations were to be arranged, as in Great Britain, by a *Civil Service Commission* of three members established by the Act. To insure impartiality, the members of the Commission are to be appointed by the President with the approval of the Senate in a manner providing that each of the two Parties shall be represented on the Commission—i.e., where two representatives belong to one party, the third has to be a member of the other. Members of the Commission may be dismissed by the President at any time; but new members cannot be appointed by him except on this condition and subject to the ap-

⁸ See Civil Service Act and Rules, Statutes, Executive Orders and Regulations, U. S. Civil Service Comm., Washington, 1932, 146 pp.

proval of the Senate. It was declared that members of the Commission cannot hold any other office, Government or otherwise, and must devote themselves exclusively to their work on the Commission. This Civil Service Commission has been functioning uninterruptedly ever since, and has rendered notable service in its regulations relating to public administration, the psychological and technical conditions governing competitive examinations, and the codification of the system of classifying officials. Since its introduction, the *merit system* has been spreading in both the state and municipal service, although it has encountered many difficulties.

So the European Continent has been followed by the Anglo-Saxon States in adopting a professional, technically trained bureaucracy to meet the increase in the requirements of public administration, although in the latter countries, a common political conviction antagonistic to the system had first to be overcome.

§ 17. POST-WAR DEVELOPMENT IN ITALY AND GERMANY

After the Great War three European Great Powers passed through revolutionary changes. One was Germany which, prior to the War, had developed the professional bureaucracy of to-day into its highest form. The question now before us is how these revolutions affected this institution.

Italy and Germany have rejected parliamentarism and a Cabinet responsible to Parliament, have set the State new tasks in the economic field, and have transformed their political systems by the introduction of the one-party system. Germany has enhanced the transformation by replacing monarchy by a republican régime, at the same time adopting the system of a united Empire in place of the previous system of federated States. These great States have, therefore, completely transformed their Constitutions and political organizations. The Liberal-Democratic State, originating from the nineteenth century, has been replaced by an "authoritative" State, without prejudice, however, to the professional bureaucracy, which is still necessary. Indeed, in the "*Gesetz zur Wiederherstellung des*

Berufsbeamtentums" vom F., April 1933, Germany did away with the oscillations dating from the Weimar Constitution.

§ 18. DEVELOPMENT IN THE SOVIET UNION

An important question is the attitude adopted in this matter by the Soviet Union. Since the conditions prevailing in the Union of Soviet Socialist Republics (U.S.S.R.) are in general but little known, in order to answer the question, I must give a short description of the relevant machinery of the dictatorship of the proletariat.

Particular attention is due to the procedure of the Soviet Union because the dictatorship of the proletariat, following the teachings of Marx and Lenin, has endeavored to realize as fully as possible the postulate that the bourgeois-capitalist State organization must be destroyed. In the words of Marx, "the Commune has shown that the laboring classes cannot simply take possession of the State machinery and cannot use it for its own purposes."⁹ "Previously revolutions all perfected the State machinery; what we want, however, is that it should be destroyed and broken to pieces."¹⁰ According to these writers, the two institutions of bureaucracy and a standing army are peculiarly characteristic features of the centralized State power of bourgeois society; these institutions they call the parasites of society, demanding their immediate abolition. This does not mean, however, that after victory of the dictatorship of the proletariat there will not be any longer need of a political organization; it only means that there will be no need of the older one. "The dictatorship of the proletariat is not the end of the war of classes, merely a continuation of that war in another form. The dictatorship of the proletariat is that war of classes which the proletariat carries on against the bourgeoisie after it has won the victory and taken possession of the power; for, though defeated, that bourgeoisie is not annihilated and

⁹ "Ausgewählte Schriften," Vol. I, Zurich, 1934, p. 195.

¹⁰ W. J. Lenin, "Staat and Revolution," Verlagsgenossenschaft ausländischer Arbeiter in der USSR. Moscow-Leningrad, 1934, p. 28.

has not disappeared nor ceased to offer resistance to the proletariat or even to increase that resistance.”¹¹

“The dictatorship of the proletariat is a relentless war against the power and traditions of the older society which may be bloody or not, carried on by force or by peaceful means, in the fields of economics, education, public administration and military matters alike.” It is not the work of a year or two; and for that reason we must not interpret “the dictatorship of the proletariat, during the transition from capitalism to communism as rapid transformation in the form of a few peculiarly revolutionary acts and ordinances but as a whole historical era full of external conflicts, civil wars, persevering work of organisation, economic reconstruction, attacks and retreats, victories and defeats.”¹²

“The dictatorship of the proletariat is not a simple change of government, but a new State, with new political organs in the centre and in the provinces it is the State of the proletariat which comes into being out of the ashes of the older bourgeois State.”¹³ “The State organisations of the dictatorship of the proletariat are built up on the organisations of the classes oppressed by capitalism—the proletarians and the semi-proletarian poor peasantry—which constitute the predominant majority of the population, the most important of these organisations being the following:

“1. The trade unions, the mass organisations of the proletarian industrial workers which connect the party with the proletarian class, chiefly in the field of production.

“2. The soviets, the mass organisations of the laborers (proletariat and peasantry) which connect the party with the workers, chiefly in the field of State life.

“3. The cooperative societies, the mass organisations mainly of the peasantry which connect the party with the masses of the peasantry, chiefly in the field of agriculture, the peasantry being recruited for the work of socialist reconstruction.

“4. The organisations of the younger generations, the mass organ-

¹¹ Lenin, “Über den Volksbetrug mit den Lösungen der Freiheit und Gleichheit.”

¹² J. Stalin, “Probleme des Leninismus,” Erste Folge, 2. Auflage, Verlagsgenossenschaft ausländischer Arbeiter in der USSR, Moscow, 1932.

¹³ Stalin, *op. cit.*, p. 46.

isations of the younger generations of laborers and peasants whose mission it is to facilitate socialist education of the vanguard of the proletariat—the modern generation—and the training of younger reserves.

“5. Finally, the party, the basis and guiding force of the dictatorship of the proletariat whose business it is to direct all these mass organisations.

“It is, therefore, the party that realises the dictatorship of the proletariat, doing so, however, not directly, but through the agency of the trade unions, the soviets, and the other organisations. Without these ‘transmissions’ no firm dictatorship would be feasible.”¹⁴

In the mechanism of the dictatorship of the proletariat the political organs are, therefore, the soviets. There are soviets in every grade of local and political self-government, the villages, the “rayons,” the provinces or “oblasts,” the States, the Union. These soviets are not appointed by higher organs, but are a manifestation of the principle of “proletarian democracy.” Simultaneously with the establishment of soviets every trace of parliamentary government was abolished—in particular the differentiation between legislative and executive power, the isolation of elected bodies from the electors and the masses, etc.¹⁵ No democracy, not even the proletarian democracy, is conceivable without representative bodies. But the representative bodies of the dictatorship of the proletariat differ from Parliament in that the members of the soviets themselves have to carry the laws into execution and account to themselves for the results of the execution of those laws. They have to be responsible directly to their electors.¹⁶ However, at the outset, owing to the insufficient cultural standard of the proletarian masses and the lack of adequate administrative experience, there were not enough elements among the workers qualified to hold responsible offices, and therefore some of the bureaucratic elements were given a rôle. On the other hand

¹⁴ Stalin, *op. cit.*, pp. 322-323.

¹⁵ See Communist Party of the Soviet Union (Bolsheviks) Programme and Rules, Revised Edition, Cooperative Publishing Society of Foreign Workers in the USSR, Moscow, 1935, p. 17.

¹⁶ Lenin, “Staat und Revolution,” p. 49.

the communist party of the Soviet Union fought strenuously against the renewal of bureaucracy and for the purpose of completely eliminating the danger made the following demands:

1. That every member of the soviet should be required to coöperate in the performance of some definite task of the State administration.

2. That there should be a constant rotation in this work, so that every member should have an opportunity to acquire experience in each branch of the administration.

3. That the whole body of workers should be gradually initiated into the work of the State administration.¹⁷

In September, 1917, just before the proletarian revolution, Lenin wrote as follows: "Most of the functions of the old power of the State have been so thoroughly simplified in capitalist culture by means of factories, railways, post offices, telephones, etc., and may so easily be reduced to the simple operations of registration, book-keeping and control, that these functions may be performed, and are actually being done by any man able to read and write, for a simple wage and the performance of these functions will not entitle the workers to any kind of privilege nor to a leading role."¹⁸

The experience of the dictatorship of the proletariat during the twenty years of transition from capitalism to communism has justified in part its theoretical aims on the one hand; on the other hand it has created new problems and new situations demanding new decisions and leading to new solutions. After the successful completion of the first five-year plan (1928-32), and toward the end of the period of the second five-year plan (1933-37), many original views have been revised and certain solutions replaced by new ones, while an endeavor is being made to perfect gradually the organization of the dictatorship. The experiences involved are of value for our studies in so far as the decline of the State spoken of by Marx has not only failed to ensue, but is in all probability so far away that we practically need not reckon on its occurring. The expropriation of the capitalists and the nationalization of the means

¹⁷ See Communist Party Programme and Rules, *op. cit.*, p. 20.

¹⁸ Lenin, *op. cit.*, p. 45.

of production have been effected. The work of developing all the productive forces of the country is being continued, showing remarkable results, and the elimination of social classes is still under way. But this is not the higher degree of a communistic society in which everyone is to work according to his ability and is to receive payment according to his needs, the State itself becoming superfluous. It is still the lower grade of communistic society in which everyone is forced to work according to his capacity and is paid, not in proportion to his requirements, but in proportion to the value of his work. This is what is called a socialist society in which the State is still needed.¹⁹ "In the Union of Soviet Socialist Republics we find the realisation of the fundamental principle of Socialism—Every one according to his ability and to every one according to his performance" (Constitution of 1936, § 12). And according to Lenin this first and lowest period will be a very long one, it being an open question when it will come to an end.²⁰ So far as I know, neither Lenin nor any other leading personality of the dictatorship of the proletariat ever made any form of statement respecting the period at which the State would become superfluous. That is why we are justified in speaking of the Soviet State as a State and in comparing its State functions with the functions of any other State.

One of the essential differences of the State of the dictatorship of the proletariat as contrasted with the capitalist-liberal State is that in the former, as a consequence of the nationalization of the means of production, the act of production has become a State task or function. The organization and direction of the economic life are effected on the basis of a single national plan. For a rational and economical utilization of all the economic forces of the country and their coördination, a complete centralization of the direction of production is essential. The State Budget embraces the total production of the whole national economy and its aggregate costs. It is a function of the State to distribute products and income too. This involves an expansion of the sphere of State tasks (functions) far

¹⁹ J. Stalin, Bericht über die Arbeit des Zentralkomitees der KPDSU (B) 17 Parteitag der KPDSU (B), 1934, Verlagsgenossenschaft ausländischer Arbeiter in der USSR, Moscow, p. 77.

²⁰ Lenin, "Staat und Revolution," p. 99.

exceeding the volume of nationalization in any other State. That is why the Soviet Union is faced by tasks of dimensions and of a character never yet devolving on any other State. Here, too, the growth is most considerable in the field of public administration, for the new duties include the whole field of agrarian and industrial production, which in all other States is entirely independent of the State and functions separately. The abolition of the barriers separating public and private administration and the experience gained in respect to State organization and direction of the activity of the economic life, have also led to a modification of the original attitude toward public administration.

The sudden development of industrialization led to a noteworthy increase in the number of industrial workers. During the period of the first five-year plan, however, it was already admitted that an extensive development does not suffice in itself, but that to insure efficiency it was indispensable to increase the volume of production. To accomplish this, it was essential to augment the performance of the workers. It was proved necessary to secure stability of employment, and it was found that the chief cause of the fluctuation of labor was the system of inadequate wages. Means had to be found to raise the wages of the workers remaining constantly in one plant, since that was the best method of inducing them to stay. To increase efficiency competition was developed, together with a scale of material and moral rewards for better performances, and a system of "shock workers" (udarnik) or "Stossarbeiter." Recently endeavors have been made to attain the same object—the enhancement of efficiency—by the application of the Stakhanov system of work. For the same reason an endeavor was made to solve the question of the individual responsibility of workers, in order to be able at all times to ascertain a given person's responsibility for the quality of his production. Consequently the problem of direction and of technical management assumed primary importance and it became necessary to study and to reform not only the organization of the different plants but also the overhead organization in which they were united, forming organization units of a middle and higher degree. Thus was instituted in place of an economic organization

built on four levels (later on three), an organization built on two levels, which involved the extension of the powers of the people's commissariats and their reconstruction and reform in the field of public economy. Finally, for the same reason and on the basis of similar experiences, there was a constant development of the most important organization responsible for the central direction of the whole field of production—the *Gosplan*, which has no parallel elsewhere. It is an original creation, which already stands on a high level.

The problem of organization was discussed exhaustively at the XVII party assembly held early in 1934, at which it was decided that the main source of the defects lay in the choice of the directing persons and in the inadequate control of the manner of execution. In the choice of personnel, Stalin formulated the demand that all incompetent persons should be removed. That led naturally to the retention in constant service of competent persons.²¹ In order to control the execution of orders issued, parallel organizations were established to which the names of *Sovietkontrolle* and *Parteikontrolle* were given.²²

If we would judge the situation properly, we must not forget that in Soviet Russia there is only one party, so that there is no need of making elections or appointments temporary in character out of consideration for the principle of rotation of parties in power. One characteristic consequence is that the government, the council of people's commissaries, is not subject to political changes and is never renewed as a whole; the only changes being in individual members resulting from personal causes. Many of the people's commissaries have been in office since the first days of the dictatorship of the proletariat; and the fact that a people's commissary is able to keep his office is a proof not only of his political, but also of his technical qualification. The chief, however, who is himself permanent and is an expert in the business of the State, necessarily makes excessive demands of his collaborators and subordinates. For that reason the

²¹ Stalin, Bericht über die Arbeit des Zentralkomitees der KPDSU (B), p. 92.

²² Kaganowitch, Organisationsfragen, Partei und Sowjetaufbau Referat gehalten auf dem 17 Parteitag der KPDSU (B), Verlagsgenossenschaft ausländischer Arbeiter in der USSR, Moscow.

point in the program of the party which stipulates that every member of the Soviet shall take part in the State administration; and the other point which specifies that there shall be a constant interchange of members in that work, in order that every member may secure practice in every branch of the administration, are not applied in full. From the Soviet system, it follows that the workers participate in various ways in controlling the activity of the several State organs in ways and to an extent unknown in the bourgeois States. That does not in any way prejudice the fact that in the Soviet Union technical qualifications and permanency are indispensable to public administration, and not only in the economic branches of administration. This shows that the new State built to replace the broken and shattered bourgeois State is also unable to dispense with technically trained and permanently appointed employees. This again proves that the administrative system is to be explained on technical grounds independent of the political system established by the State. The introduction in the Red Army (in October, 1935) of differences of rank is itself an interesting parallel to the development which in the eighteenth century introduced a standing army in the States of Continental Europe prior to the establishment of a professional bureaucracy.

§ 19. EXPANSION OF THE SCOPE OF PUBLIC ADMINISTRATION IN AUSTRIAN AND POLISH CONSTITUTIONS

As we have seen, one of the characteristic phenomena of the post-industrial development was that the State intrusted the performance of some of its new public functions to organs of a new type. These are neither State nor local government agencies (*Gebietskörperschaften*), but indubitably belong to public administration and constitute a third type of public administration—*independent agencies, öffentlich-rechtliche Körperschaften, corporations, etc.*

Two States have already realized that these agencies must be included in public administration and their personnel reckoned as

civil servants. One of these States, *Austria*, codified that fact in the Constitution of 1935.

Austria, which had been territorially so badly mutilated by the Great War, maintained her federal organization. In the new Constitution put into force on May 1, 1934, she, however, changed into a corporative State—*Berufsständischer Staat*. The main groups of "estates" (*Berufsstände*) are the following:

1. Agriculture and Forestry.
2. Industry and Mining.
3. The Crafts.
4. Finance, Credit, and Insurance.
5. Commerce and Communications.
6. The Professions.
7. Civil Service.

The seventh group (*Hauptgruppe*)—the *Berufsständ der öffentlichen Bediensteten* (Ordinance of the Federal Chancellor dated November 30, 1934)—embraces, in addition to the various branches and groups of civil service (State, municipal, communal) (sections I-X), also the employees of the new corporations possessing a public character (chambers, social insurance institutes, etc.) (section XI). This is, therefore, the first example of integration, which, as we have seen, has not been effected elsewhere.

After the Great War the administration of civil servants was taken over from the Ministry of Finance by the Federal Chancellery. So in Austria this authority is the central personnel agency.

In her new Constitution Poland declares that the State administration is a public service assured by the following organs:

- A. The governmental administration.
- B. The administration of local authorities.
- C. The administration of economic self-governing bodies (§ 72).

§ 20. RÔLE OF SINGLE PARTY

In all three "authoritative" States, an important rôle is played by the *one-party system*.

SOVIET UNION

The party of the *Soviet Union* is the Bolshevik Party. Stalin has given an exhaustive description in various works²⁴ of its organization, aims, and activity.

The communist party of the Third International, which he calls the "party of Leninism," was brought into being for the purposes of revolutionary struggle. To that end, a party was needed which would be courageous enough to take the proletariat into battle for the conquest of power, should possess experience enough to find its way even amid the complicated conditions of the revolutionary milieu and should be elastic enough to remove all obstacles from the path leading to its goal.

The party was to be primarily the vanguard—the advance outpost—of the laboring classes. It has to unite in itself the best elements of those classes and to recruit their experience, revolutionary spirit, and unconditional devotion in the cause of the proletariat. However, if it would be a genuine vanguard, the party had to be equipped with a knowledge of revolutionary theory and of the laws of the revolutionary movement. Without revolutionary theory there can be no revolutionary action, says Lenin in one of his works,²⁵ for without that theory the party is unable to lead the struggle of the proletariat or to take over the direction of the proletariat.²⁶ The party is no real party if it confines itself to recording what the workers think or suffer; if it merely blindly follows a spontaneous movement and is unable to overcome the inertia and political indolence of that movement; if it fails to rise above the momentary interests of the proletariat and does not know how to raise the masses to the level of the class interests of the proletariat.

The party is the political leader of the working classes. Without a revolutionary party those classes are like an army without a commander. "The party is the general staff of the proletariat." The party

²⁴ Stalin, *Probleme des Leninismus*, Vol. I, pp. 95 ff., 422 ff., Vol. II, pp. 370 ff., *Bericht über die Arbeit des Zentralkomitees*, pp. 69 ff.

²⁵ Lenin, "Was tun?" 1902.

²⁶ "Die Theorie ist die Erfahrung der Arbeiterbewegung aller Länder," in ihrer allgemeinen Form genommen (Stalin, *Probleme des Leninismus*, Vol. I, p. 75).

will be unable to lead those classes, if the masses reject its leadership, or if it has no moral or political credit with the masses.

The party is the highest of the class organizations of the proletariat. The chief expression of the rôle of leader played by the party is the fact that without the obligatory instructions of the party, the Soviets and the other mass organizations cannot decide a single important question or any question of organization. As a consequence it is the party that directs all the organs of the dictatorship of the proletariat and insures the successful construction of the socialist society. In this connection exceptional functions and obligations devolve upon every single member of the party. "The characteristic peculiarity of the members of the bolshevik party is the role they play as champions of a social solution of labor conditions and as organizers of methods of production in industry and agriculture."

According to the new party statutes the duties of members of the party are the following:

A. To maintain the strictest party discipline, to take an active part in the political life of the country and of the party, and in practice to carry into effect the policy of the party and the decisions of the party organs;

B. To work indefatigably, to increase their own intellectual accomplishments, to be familiar with the fundamental principles of Marxism and Leninism, to be thoroughly acquainted with the important political and organization decisions of the party and to explain their meaning to persons outside the Soviet State;

C. As members of the leading party of the Soviet State, they are required to set an example in observing labor and State discipline, to show eminence in the technical side of their spheres of activity, and to constantly improve their professional qualifications.²⁸

It is a striking fact, however, that the number of members of this party is so exceedingly small. In the Soviet Union with a population of 166 million, the number of members of the party barely exceeds 2,000,000 and there are half a million of "sympathizers" (candidates).²⁹ Nor is any effort made to increase the number. However,

²⁸ See Communist Party Programme and Rules, *op. cit.*

²⁹ Molotov, Speech of December 8, 1937, *Le Journal de Moscow*, 74, 12, 1937.

this small number is so distributed that its members predominate in all other organizations, not by weight of numbers, but by the significance of their functions. Moreover, under the Constitution, the Central Executive Committee of the U.S.S.R. is assured the right to invalidate the decisions and decrees of any of the political organs of the union or its Federated States.⁸⁰

The fact is that the higher the grade of the soviet, the greater is the proportion of members recruited from the Communist Party, so that the overwhelming majority of the soviets of the Union consist of party members. At the first elections held in December, 1937, on the basis of the new Constitution 855 Communists obtained seats on the Supreme Council (Verkhovny Soviet), only 288 non-Party persons being elected, the result being that the majority of the Party Members is assured. But there are periodical shiftings of the members of the party, every four years. The party will not tolerate factions and becomes strengthened by ridding itself of opportunist elements. The monopoly of the party originates from life and is the result of historical development.

The status of the party in public law is quite exceptional, for all laws and ordinances of the council of people's commissaries are signed by Stalin, Secretary General of the party, as well as by the President of the council of people's commissaries.

A status similar to that of the Bolshevik Party is held by the Fascist Party in Italy and the National Socialist Party in Germany.

ITALY

The Fascist Party also prepared the way for the revolution and carried the movement to success, and has in consequence ever since kept its decisive influence. Its legal status was determined by the Law of November 17, 1932, the most characteristic provisions of which are:

1. The National Fascist Party (Partito Nazionale Fascista) constitutes a civil militia at the disposal of the Duce and at the service of the Fascist State.

⁸⁰ §20 of the Constitution.

7. The Secretary of the Party shall be nominated by the Duce and appointed by the King.

14. New Members of the Party shall take an oath to obey the orders of the Duce and to serve the cause of the Fascist Revolution, if necessary, with their blood.

A rôle of great importance and a significant legal status has been allotted to the Grand Council of Fascism (*Gran Consiglio del Fascismo*) the Law relating to which was promulgated on December 9, 1928. The most characteristic provisions of this law are the following:

The Grand Council of Fascism is the supreme organ established to coördinate and unify the activity of the régime originating from the Revolution of October, 1922. It has the right to take decisions and to give opinions. (§ I.)

Its President is the head of the Government, its Secretary the Secretary of the Fascist Party. (§ 2-3.)

It shall decide respecting the Statutes, measures and political principles of the National Fascist Party, etc. (§ 10.)

It must be consulted on the question of the succession to the throne and in all other important constitutional questions. (§ 12.)

The Grand Council of Fascism shall on the proposal of the Head of the Government draft a list of the names of all those persons whom, in the event of a vacancy in the office of the Head of the Government, it will nominate to the King for appointment. (§ 13.)

GERMANY

In *Germany* the exceptional legal status of the National Socialist Party is also protected by laws. The Law promulgated on July 14, 1933 (*Gesetz gegen die Neubildung von Parteien*—Law forbidding the formation of new parties) declared that the only party in Germany should be the National Socialist Party (the National-Sozialistische Deutsche Arbeiterpartei). The Law promulgated on December 1, 1933 (*Gesetz zur Sicherung der Einheit von Partei und Staat*—Law to insure unity of party and State), contains the following important provisions:

1. Since the victory of the National Socialist Revolution the

N.S.D.A.P. has been the representative of the German State idea; and its connection with the State is indissoluble. The Party shall be a corporate body of public law (*Körperschaft des öffentlichen Rechtes*) and its statutes shall be determined by the Führer.

2. For the purpose of insuring the closest coöperation between the party organizations and the S.A. (*Sturmabteilung*) on the one hand and the authorities on the other hand, the Deputy Führer shall be a member of the Imperial Government.

3. The members of the Party and of its subordinate organizations, the S.S. (*Schutzstaffel*) and the *Stahlhelm* (since then disbanded) in their capacity as motive forces of the National Socialist State shall have special obligations in respect to the Führer, the people, and the State.

Any breaches of these obligations shall be brought before special party or S.S. courts of law respectively. The Führer may extend these provisions also to the members of other organizations.

6. The authorities shall be required within their own jurisdictions to offer legal assistance to the organs intrusted to act as party or S.S. courts of law and indeed to render those courts every other assistance of which they may stand in need.

According to the Law promulgated on October 31, 1933 (*Gesetz zur Gewährleistung des Rechtsfriedens*), the members of the S.A. (*Sturmabteilung*), the S.S. (*Schutzstaffel*), and certain employees of the Party are entitled to the same enhanced protection under the criminal law as that enjoyed by members of the State Authorities previously.

The number of members of the Fascist Party in an Italy containing 43 million inhabitants is about 3,000,000; the number of members of the German National Socialist Party in a Germany with 67 million inhabitants is less than 3 million; and no endeavor is being made to increase these numbers. Admission to membership of the parties is repeatedly suspended.

Thus, the rôle of members of the single parties in the three "authoritative" States is so adjusted that they shall perform State functions. They have exceptional obligations, and in consequence they enjoy an exceptional legal status. They are expected to comply

with special requirements, not only in respect to political views and party loyalty, but also in regard to ability. For that reason their connection with the State continues until they prove unworthy; it is based upon permanency. The relation between the Members of the one and only Party and the other persons may be compared to that existing between a Shepherd and his Flock as defined in the New Testament and as in practice in the Roman Catholic Church. The function of the Members of the Party resembles that of the priests who are professional Members of the organization of the Church. At the elections held in December, 1937, the Communist Party, which has 25 million Members, formed an "election block" together with the 90 million electors called "non-Party" men.

All these features taken together show that those States which acknowledge only a single party are in their State life as dependent upon the same element of stability on a democratic basis as existed under the rule of a monarch in the absolute monarchies. This dependence upon stability insures conditions favorable to the maintenance and development of a professional, permanent public service which is rendered necessary, in any case, for technical reasons.

§ 21. PREDOMINANCE OF PRE-INDUSTRIAL CHARACTERISTICS IN PUBLIC ADMINISTRATION OF THE STATES OF EUROPE

This general advance on the European Continent of the system of professional, technically trained civil servants, a system already adopted by the States of that Continent in the pre-industrial era, has so far not created any great stir. This is probably due to two causes. On the one hand those States have considered this development as a vindication of their older system, without making thorough investigation; they did not perceive that the later development displayed new features of an essential character. On the other hand, the system of legal positivism which predominated on the Continent regarded every question connected with the public service as a problem of positive law and was, therefore, extremely cau-

tious when comparing, and still more when examining, the relative merits of the laws of the various countries.

This attitude was favored by the fact that the budgets were fairly well protected against the effects of economic competition. Their accounting does not include a profit and loss account, the result being that the instructive effect of that account is lacking. In the development of public administration the principle of *sic volo sic jubeo* played a very important rôle also during the rule of parliamentary parties.

In the control of public administration, a corollary of parliamentarism is the control of the budget by the Public Audit Department. The constitutional State has developed the system of legal control of the activity of public administration by independent tribunals (*Tribunal Administratif, Conseil d'Etat*); but the efficiency of their activity has usually never been questioned. This is a difficult problem to grasp on legal grounds, since it is a technical question. However, the legal remedy, *recours pour excès de pouvoir* (redress procedure for exceeding powers), recently extended by the French Conseil d'Etat appears capable of being further developed as a control of administrative work by describing as "excès de pouvoir" all activity of applying the principle that the power is given only for the purpose of filling an office efficiently.

For that reason there is little sign on the Continent of any considerable intellectual development or qualitative transformation running parallel with the quantitative development. Yet there is every need and possibility of such a development, as we shall endeavor to demonstrate in Part III.

§ 22. DEVELOPMENT OF POST-INDUSTRIAL TYPE IN ANGLO-SAXON STATES

However, a close investigation into the public service of the Anglo-Saxon States will convince us that what we have to deal with there is not a mere imitation of the Continental system. It is a new type of professional civil service, developed in connection with the post-industrial State, which applies the principle of "economy and efficiency" to public personnel administration also. In these countries

the introduction and extension of a professional bureaucracy (in Great Britain in 1855 and in the U.S.A. in 1833) belongs to a period in which the manufacturing industry was already highly developed. Indeed, there were already mammoth enterprises, such as American Telephone and Telegraph Company (166,607 employees), the General Motors Corporation (34,343 employees), and the Pennsylvania Railroad (172,938 employees). These economic undertakings were compelled to check constantly the success achieved in economic competition and to discover all the conditions of a favorable development of the profit and loss accounts. They realized the dominant importance of the personnel question. It was to their material interest to realize that the proper or improper management of personnel, the various systems of wages and salaries, a fair determination of efficiency and the system of promotion directly affected the development of their productivity. This conviction led them to develop the science of personnel management, to place the direction of the personnel question in the hands of personnel directors, and to establish research institutes for further study of the entire question.

Those countries in which large economic establishments of a high level had already produced the system of scientific management for economy and efficiency, when introducing professional public service were not prepared to accept the older Continental form uncritically. They were perfectly familiar with the systems and results of Continental development. They endeavored to develop the system of professional public service with due consideration for the experience gained on the European Continent, though they took care not to lose sight of the important principles of economy and efficiency already thoroughly developed in their own economic life. They thereby brought into existence a new type of public administration: the post-industrial type.

The Great War and the period of over twenty years that has elapsed since have proved of greater importance than all previous periods in the development of public administration. During these two decades, a careful investigation has been made into previous results; and far-reaching, exceptional reforms are being carried out.

They are based upon thoughtful consideration and thorough preparations. This work is described in the volumes published by the British Royal Commissions on the Civil Service³² and by those published in the United States of North America on the question of professional civil service. In the following pages I have endeavored to give an outline of the American efforts to enhance the efficiency of public administration during the post-war years. Even when compared with the older, Continental system, the tendency and results of these efforts are noteworthy. But they are hardly known at all on the Continent.

The two chief considerations guiding American thought on the personnel question are the following: One, people in America are aware that the question of the emoluments of public employees is not subject to the usual economic laws of the labor market. The Government may in practice make itself independent, in respect to its compensation policy, from most economic laws and of the effect of competition which commercial enterprises are compelled to consider. In private enterprises a mistaken personnel policy soon makes its effects show in the advance of their competitors and in unfavorable balance-sheets, while public administration may tolerate an equally bad policy for any length of time. The ordinary citizen is hardly likely to discover the trouble, while to express the detrimental effects in figures has so far at least proved impossible, even though the consequences make their appearance indirectly in increased taxes. The technical character of public administration requires the uninterrupted employment of personnel, but the interest in permanence makes it difficult to dismiss employees on pleas of inefficiency. For that reason people in America are fully aware of the danger that the bureaucratic system may be handicapped in efficiency and morale as compared with private undertakings.

On the other hand, and this is the second of the two main considerations referred to above, in order to insure a proper solution of the permanent personnel problem of public administration, an

³² See Royal Commission on the Civil Service (1912-1914); Machinery of Government Committee (Haldane: 1918); Committee Appointed to Enquire into the Organisation and staffing of Government Offices (1918-1919); Royal Commission on the Civil Service (1921-1930), etc.

endeavor is being made by the aid of scientific investigation to discover the *one best way*. Care is being taken continually to improve the system. It is realized that the personnel problems in the enormous area of the United States betray in all cases an extraordinary number of common features which can best be adjusted by a uniform scheme. That is why an endeavor is being made everywhere to centralize the personnel question and to establish a uniform personnel program. A high level of personnel management is required because the highly developed economic life of the United States has raised the prestige of an economic career to a height which places the prestige of the public service at a decided disadvantage.³⁸

Since the Great War two steps of paramount importance have been taken. One was the introduction by Congress in 1920, with a further development in 1926, of the pension system applying to those employees of the federal service who are subject to the merit system; i.e., to the permanent employees. The second was the ratification in 1923 by Congress of the Classification Act and the simultaneous establishment of the Personnel Classification Board, whose business it is to classify the posts in the federal service in order to provide that all persons doing the same work shall receive the same pay, and that the various categories of work shall be differentiated. This work is known in Central Europe by the name of "classifying emolument categories." In 1930, this organization was still further developed when the director of the budget became Chairman of the Board, only a representative of the Director having previously been present on the Board. This change, therefore, extended the influence of the Director of the Budget to the personnel question.

This organization, now very highly developed, was brought into existence by the pressure of necessity and by the difficulty of coping with personnel problems. The same cause lay behind the development of the personnel policy and program, the coherence and systematic character of which is a remarkable achievement. The essential points of this policy are:

³⁸ Leonard D. White, *The Prestige Value of Public Employment*, Chicago, Ill., 1931. Leonard White, "Further Contributions to the Prestige of Public Employment," Chicago, Ill., 1932.

The starting-point, as already stated, was the question of compensations. Before classification of posts had been effected, it was quite common to find two persons sitting side by side, doing exactly the same work but drawing quite different salaries. Positions of the same character were paid differently in different offices. Some persons were drawing high salaries for simple, stereotyped work, while others were doing work requiring considerable ability for small salaries. There were but few provisions to regulate promotion. The use of titles was unsystematic and misleading. An obsolete law dated April 27, 1854, had provided for four categories of emoluments (\$1200, \$1400, \$1600 and \$1800), which system had been further developed at random by legislative enactments and administrative action. Consequently, various departments had certain fixed amounts placed at their disposal for personnel, to be paid at their discretion, and there were also salaries of fixed amounts payable to persons designated by name. During the Great War this system led to certain war organizations paying twice as much as the older agencies for the same work. The result was that the employees asked to be transferred from the other offices to these new offices. The only means of defense against this movement at the disposal of Congress was to prohibit these transfers by law. This experience, however, made it perfectly evident that this procedure was quite unsuitable for raising the standard of public administration or maintaining a good morale among the employees. This fact brought the question of classifying positions to a head.

There was, however, another reason for a complete reorganization of the whole system of compensation. Public administration was anxious to apply the efficiency rating system used in the commercial life of the country for the rating of the performances of workers. But the Bureau of Efficiency, intrusted with introducing the system into the federal service, soon discovered that no rating of workers could possibly be introduced except after determination of the character and functions of the various posts. On the basis of an executive order dated October 24, 1921, the Bureau of Efficiency carried out a classification experiment which, however, lacked thoroughness. It appeared necessary to establish a social agency to

do the work on a larger scale and on the basis of comprehensive principles. This was the origin of the *Personnel Classification Board*. This Board first carried out a thorough classification of 47,000 employees of the central departments in Washington. The uniformity and fairness shown as a result of this experience so convincingly proved the value of this scientific procedure that by a law dated May 28, 1928, Congress intrusted the Board to carry out the same work for the federal field service. The work of classification was completed covering 104,053 posts in the field service, which meant twice as much work as the original experiment. The Classification Board submitted its exhaustive report to Congress on February 16, 1931, the report being entitled *Wage and Personnel Survey*.⁸⁴ The report not only contains a proposal (Classification Plan) for the classification of posts, but also suggests a compensation plan for pay of public servants on the basis of earnings of employees of private undertakings. To this end an investigation was held, with the coöperation of 17 leading authorities of industry, on the question of wages of 500,000 industrial employees of various categories. Although the plan relating to the field service has not yet been put into force, *Haan*⁸⁵ is justified in saying that this work was a gigantic undertaking and that the reorganization of a public service employing so many persons affected by the aid of such thorough and systematic work is a most interesting example of the application of the principles of scientific management in the field of public administration.

Down to 1933 work of this kind had been done by 15 States, 24 counties and 26 towns; in part before the work was done by the federal government. The credit of being the pioneer in this field may be claimed by Chicago (1909-11).

⁸⁴ Personnel Classification Board, Field Survey Division, Report of Wage and Personnel Survey, Washington, 1929 (U. S. Government Printing Office), p. 512. Preliminary Class Specifications of Positions in the Field Service, Washington, 1930 (U. S. Government Printing Office), p. 1327. Salaries for Routine Clerical Work in Private Industry, Washington, 1931 (U. S. Government Printing Office), p. 190. Closing Report of Wage and Personnel Survey, Washington, 1931 (U. S. Government Printing Office), p. 404.

⁸⁵ Amerika-studien, Öffentliche Verwaltung, Personal-Verwaltung, II, 1933 (Internationales Rationalisierungsinstitut, Geneva).

The work of scientifically classifying positions is divided into six tasks: 1. *Job Analysis*. This is a thorough investigation into the obligations attached to each position to determine the responsibility of the post, the qualifications required by candidates for the post, and all other important conditions. To insure thoroughness, the usual procedure is for the employee in question to describe the duties attached to his position, and the requirements essential for obtaining the position. This description is checked by the employee's chief, and the statement is finally checked by a committee of experts whose duty it is, also, to eliminate contradictions. 2. *Job Classification*. Positions involving the same functions and the same responsibility are grouped together and given a characteristic title to differentiate the groups in respect to emoluments, promotion, and other features. On the European Continent we have something similar in the differentiation of positions as subject to university qualifications, to the possession of a higher certificate (bachelor degree), or to the completion of only four classes in secondary school. 3. *Job Specification*. This is the formulation in a concise manner of the duties, responsibility, and qualifications of each kind of position for the purpose of defining these positions everywhere in the same way. For the sake of clearness the description may be supplemented by examples. 4. *Salary Standardization*. The determination of a scale of salaries for the several categories on the principle that for the same work the same salary should be paid. This scale resembles the scale fixed on the Continent, though it is more complicated in America since there are seven different grades in each category, corresponding to the various grades of merit. 5. *Allocation of Positions*. The determination of the various categories and of the scale of salaries must be followed by the allocation of each position. This has long been in force and is already familiar in Europe. 6. *Salary Administration*. An office established for the application of the compensation and classification system. It also classifies new positions and endeavors systematically to improve the system of emoluments.

Wages in economic enterprises are continually changing; and the salaries of public administration employees either change in

keeping therewith or remain above or below the same.³⁸ The Government must, however, adopt a decided attitude on this question, particularly since in America public opinion keeps a watchful eye on the matter. Ways and means must be found to adjust the level of salaries in a manner satisfying taxpayers, employers, and employed alike. An endeavor is being made to find an objective method for fixing the scale of salaries. So far there have not been any scientific investigations for the purpose of determining salaries necessary to cover the cost of living, though this question can be solved, and is being investigated. There are two possible ways of determining that scale without a scientific basis. By investigating the mode of life of a particular group of officials and their families, taking this group as representative of that particular branch of employees, it is possible to calculate the cost involved by their mode of life. Or we may calculate item for item the cost of food, housing, clothing, and cultural requirements as needed by the standard of life of any given individual or family and in this way determine the scale of salary required. Data characteristic of the fluctuations in the purchasing power of money are the following: 1. salaries of employees in the federal service advanced in actual amount 59 per cent between 1914 and 1926; employees of private enterprises show an increase, during the same period, of 116 per cent. 2. In 1926 the salaries of public employees were 9 per cent less than in 1914, while those of employees of private enterprise were 25 per cent higher. So the shifting between the two was 34 per cent. 3. The purchasing power of the salaries of public employees decreased considerably during and after the Great War, reaching its low point in 1920, when it represented 67 per cent of the 1914 salaries. Employees of private enterprises on the other hand have never sunk below the level of 1914 and in certain years have actually been considerably in excess. 4. In twenty years immediately preceding the Great War the situation of public employees was more favorable than that of the employees of private enterprises. That is why the

³⁸ Hermann Feldman, *A Personnel Program for the Federal Civil Service, A Report transmitted by the Director of the Personnel Classification Board, Washington, 1931*, U. S. Gov. Printing Office, 290 pp.

salaries of public employees for a long time remained unchanged, even when those of private employees had already risen, and later were at a higher level.

A given group of public employees is rated separately for the determination of salaries. This group includes that small number of employees spoken of as "key-men" and "key-women" whose ability and loyalty are of decisive influence on the efficiency and morale of the whole public administration. The Personnel Classification Board made investigations also respecting the salaries of these persons and pointed out that in the federal service, persons with salaries exceeding \$2000 are underpaid in comparison with private undertakings.

The American system of compensation consists of four salary scales each of which contains salary increments. No one can reach a higher grade except by promotion. Employees cannot enter higher grades automatically. The rigidity of the grades is not so great as on the European Continent. It is possible to pass from one classification to another; naturally, at all times, exclusively on the basis of duly certified qualifications.

The application of a salary system always requires the greatest circumspection. In the federal service the experience of years has made the authorities attach the same importance to the contentment and ambition of the personnel as in private economic life. It is realized that injustices in salaries or promotion may be a detrimental influence on performance and morale. This influence is continually watched.

A psychological element not easy to determine is the time necessary for promotions. It is of the greatest importance to determine it properly, for a happy adjustment stimulates employees to the greatest devotion and loyalty; and it is not in the interest of the service to allow that effect to be lost. All these considerations show the thoroughness of the work of psychological analysis by which an endeavor is made to reduce to the minimum the friction which will never be completely eliminated.

For that reason thorough investigations have been made in order to determine the basis of the decisions respecting advances of salary

and promotion respectively. One of the motives might be the term of service and the priority of rank. However, this motive cannot in itself provide results satisfactory either to the individual or to the public service, seeing that there are such differences in respect of personal ability and qualities that to standardize is quite out of the question. The other possible motive is efficiency; and here—as we shall see later in detail—the greatest care and thorough scientific labor are being concentrated on determining and properly rating efficiency. This rating is of importance also because it is the most reliable element of judgment and best calculated to eliminate the influence of favoritism. However, the exclusive application of this motive is just as little calculated to lead to satisfactory results; so there has developed the opinion that in deciding in respect of promotions or an advance of salary both questions must be weighed in addition to many other elements in order to avoid unnecessarily prejudicing the ambition and efficiency of the personnel. Particular importance is attached to due consideration being had for certain connections and relations developing as between the various employees, which have encouraged the growth of a certain joint sense of justice and fairness, so that to leave those connections out of account or to outrage them would be to create an impression of injustice. The effectuation of a measure upsetting the usual equilibrium of a body or office or giving rise to a shifting in the same which that body or office fails to regard as either just or objective, is called favoritism and disturbs the peace of the personnel, bringing about the division of that personnel against itself and disunion and antagonism between its members. It was well known—and due account was taken of the fact—that it is desirable to ensure gradual promotion; so the action of Congress in placing at the disposal of the authorities a round sum for promotion purposes—the number of promotions depending upon the increase or decrease respectively of that sum—was an open appreciation of the disadvantages latent in the previous system. As a consequence the time when a rise was to be expected was incalculable and left to chance. It is regarded as an important function of organization to effect a gradual, periodic rise of salaries; and an endeavor is being made to assure uni-

formity of such advances and their complete independence of mere whim or caprice. At the same time, due care is taken that the compensation system shall be adequately elastic, insuring the proper promotion of eminent or deserving employees to make it possible to retain them in the public service. In this way it has proved possible to assure, or at any rate conscious efforts are being made to assure, the combination of that standardization essential in the case of large staffs with the elasticity necessary to further the utilization of valuable persons. For this object, a most important condition is a proper determination of ability. Promotion is regarded as equivalent to intrusting the person with new tasks. For that reason, before granting promotion, we must weigh not only what the person has already done, but also whether he possesses the qualifications for the new post. This involves a certain element of prophecy, and the greatest circumspection must be exercised. Individuals must be examined from two aspects. The first is concerned with the individual point of view of the employee, the adequate recompense for the abilities of a gifted employee, based on his *individual efficiency*. The other point of view is that of the public service, which has to consider the general efficiency of public administration and to see that every position is filled by the person best fitted. For that purpose it is necessary to investigate and determine what is called, in America, the *operating efficiency* of the office.³⁷

To determine objectively *individual efficiency* and *operating efficiency* alike is the most interesting and from the scientific point of view the most important element of the organization of public administration in America. What is called in America *personnel program* is, after all, merely the system of principles and measures intended to realize this objective. In determining efficiency, the differentiation between *individual efficiency* and *operating efficiency* is based upon the assumption that if the work of any employee proves inefficient, it is not necessarily due to incompetence or fault on the employee's part, but may be the result of his being the victim of conditions of labor which prevent the full utilization of his abilities. It is regarded as evident that a considerable part of the

³⁷ See Hermann Feldman, *op. cit.*

charges brought against federal employees are unjust, because they should be directed against the set-up of the organization rather than the abilities or behavior of the individual. *Operating Efficiency* means that the general efficiency does not consist of the sum total of the individual abilities of the persons functioning in an organization. The results obtained are due also to the method of organization, direction, and discipline. Where an office is badly organized and supervised, even, the greatest efforts and scrupulousness of the individuals will fail to achieve entirely satisfactory results. In the federal service there are a number of units which are models of efficiency; but it is unquestioned that the governmental activity as a whole does not operate at maximum efficiency, and that there are many offices and institutions whose activity produces unsatisfactory results.

According to the experience of industrial organizations the best assurance of the efficiency of the employees is the ability of the chief. To-day, people are of the opinion that the greatest share of responsibility rests with the capabilities of the chief as explained already in Herbert Hoover's "Waste in Industry" and also by Henri Fayol. Another point properly stressed in America is that where the performance of a worker can be measured by piecework, the rôle played by supervision, control, and direction (i.e., the rôle of the chief) and by the quality of the work is less than it is where the results cannot be so accurately rated. Since in public administration, the method of control or payment by the piece cannot be applied except within the narrowest limits, the rôle and the ability of the chief are of prime importance. Another element of importance to which attention has been called in America, and which is very rarely noticed in Europe, is that specially trained individuals must be employed to manage personnel affairs, persons who occupy a place of their own among the chiefs. As a consequence, criticisms voiced against the public administration, for the most part, refer to the chiefs.

The principal faults and undesirable features to be found in some of the chiefs which are believed to be usually the cause of unfavorable criticism may be divided into the following three groups:

1. unsuitability for the work of direction and supervision—ignorance, inexperience, carelessness, unpunctuality, desultoriness, lack of foresight, or organization of work or other defects prejudicing their influence on their subordinates; 2. manifestations of narrow-mindedness expressed either in regarding the accustomed routine as inviolable or in obstinately refusing to accept changes, in suspecting subordinates who are bold enough to propose innovations, in being over-sensitive in respect to their authority as chiefs, or in being selfish and incapable of accepting, taking into consideration, or weighing the merits of the views of others; 3. faults originating from the chief's not knowing how to deal with men—an inability explained either by his department or his character, or in his ignorance of methods for improving the work and stimulating ambition of the employees. This fault consists in arbitrariness, in terrorizing subordinates, in unjust differentiations, in capriciousness, in captiousness, and in a faulty psychological treatment of his fellows.

Thus we find that people have realized, and have already declared, the necessity of systematically training chiefs from the lowest to the highest offices. Here too reference is made to the experiences and results of industrial and economic life.

A correct classification is of the utmost importance as a means of stimulating the personnel. Since in public administration the rating of *individual efficiency* is only rarely possible, a system of procedure has to be elaborated which assures a periodic determination and description of each individual's behavior and work. In the smaller units in which the employees may be watched by the chief himself, classification is of less importance; but in large groups in which there are more employees than the chief of highest rank is able to watch personally, it is indispensable that the performances of each individual should be ascertained in writing and determined periodically by repeated investigation. Otherwise the chief is unable to form an opinion of subordinates not working under his direct supervision, and cannot make a comparative study of their relative worth or rate their efficiency in connection with promotion or selection for tasks that may arise. In large organizations, such as the public

service in every State, a classification aptly characterizing the individuals and facilitating a just and fair comparison of persons doing the same work, is of decisive importance. A good system of classification must also be established as the best possible basis for a relative comparison of the various groups of employees. In America, where industry has proved able to standardize performance, efforts are being made to elaborate similar objective methods for the determination of the work of public administration which is not capable of standardization and of the individual efficiency of public employees. Various systems of classification have been used. These systems are compared, collated, and gradually perfected by public administration research institutes and by the research division of the Civil Service Commission.⁸⁸

Thus, an adjustment of the personnel question providing that all its elements should be regulated by utilization of the results achieved by scientific management in order to approach as near as possible to the "one best way" requires the greatest care and judicious action. To that end, we need, as is clearly realized in America, specialized agencies in the individual big units for the management of personnel matters, besides one central organization delegated to control the federal service as a whole.

To assure the efficiency of the public service is a task just as important as a proper psychological treatment of the human problems of public servants. A reconciliation of these two important elements cannot be achieved in a public service of such dimensions as those of to-day by means of unsystematic experiments, or on the basis of experience acquired by pure routine. It can be attained only by technical training. The persons who do this work are the personnel officers, subordinate to the Chief Personnel Officer, the central organ of the federal service, he in his turn being subordinate to the President and the Bureau of the Budget.

A comprehensive summary of the investigation into the public service may be found in the report entitled *Better Government Personnel* published early in 1935 by the Commission of Inquiry

⁸⁸ See Internationales Rationalisierungs-Institut, *Öffentliche Verwaltung, Amerika Studien, Personalverwaltung, I-II*, Genf, 1933.

on Public Service, sponsored by the Social Science Research Council.⁸⁹ The principal suggestion made therein is that the *career service system* should be introduced in all administrative positions in local, State, and federal service alike.

This outline of the development in America has been an attempt to show the features of the professional bureaucracy organized in the post-industrial State. It differs from those of the bureaucracy dating from the pre-industrial period.

⁸⁹ Better Government Personnel, Report of the Commission of Inquiry on Public Service Personnel, Whittlesey House, New York and London, 1935, p. 182. Importance attaches also to Leonard D. White's "Government Career Service," The University of Chicago Press, Chicago, Ill., 1935, p. 100.

PART III

THE CHIEF EXECUTIVE AND HIS AUXILIARY AGENCIES

§ 23. TWOFOLD FUNCTION OF GOVERNMENT

IN EVERY State the Government consists of a president and several members. The relations between the president (Premier) and the members of the government are regulated in various ways. The sphere of authority of a government is everywhere twofold. On the one hand the government plays an important rôle in the direction of the policy of the country; on the other, the members of the government are the supreme heads of the whole public administration system. The transformation through which the State and public administration have passed since the beginning of the nineteenth century has left traces alike on the organization and on the rôle of government. In the following pages we shall endeavor to give an outline of this development, first in respect to the political and second in respect to the administrative functions of government.

The term "Chief Executive" means in the United States and in Germany the Head of the State, who is at the same time the Head of Government (as in Switzerland also); in the other States it means the Prime Minister.

§ 24. POLITICAL FUNCTION OF GOVERNMENT IN PARLIAMENTARY STATES

A distinction must be made between *presidential government* and *parliamentary government*.

U. S. A.

The leading example of a presidential government is that of the United States, where it has existed unchanged since 1787. It is to

be found there, also, in the constitution of the member States, but it has never been adopted by the European Continent. The President, himself, exercises all the governmental prerogatives. He is elected by direct suffrage of the electorate for a term of four years, and is responsible only to the electorate, not to Congress. He appoints and dismisses the ministers (his Cabinet) at discretion; and they are responsible to him. They are not even members of Congress.

There are several varieties of parliamentary government in Europe. The original model was the parliamentarism of Great Britain. In Great Britain parliamentary government developed from a happy adjustment of the reciprocal relations of king, peers, and commons. In Great Britain, too, there have been degrees of development. The Revolution of 1688 was an undoubted victory of parliament over the royal power. Parliament at the same time secured control of government by means of the stipulations covering the annual voting of taxes and budgets. An essential feature was the two-party system, for a long time the Whigs and the Tories. These two parties directly influenced the masses of the electors and were the acknowledged mouthpieces of public opinion. It was only by *impeachment*, however, that Parliament was able to influence the members of the government, being unable otherwise to persuade the king to dismiss his ministers. Only at the close of the eighteenth century was the function of *Prime Minister* developed; and the government of Lord North (1782) was the first to fall¹ as a result of a vote of no-confidence by the House of Commons—without there having been any impeachment. From this date we may reckon the development of the Parliamentary system proper; the period being slightly prior to the French Revolution. Further developments led to the gradual increase of the influence of the House of Commons not only against the King, but also against the Upper House. Parties have changed and their number has increased, but to-day British parliamentarism functions satisfactorily, and suits the people who created it.

This British parliamentarism was adopted naturally without its

¹ See Duguit, "*Traité de Droit Constitutionnel*" (Paris, Boccard, 1924), Vol. II, p. 816.

native soil by the Continental States. It has been put into practice in monarchies and republics alike. As typical examples of the Continental variety we may take the Constitutions of the French Republic, the Kingdom of Belgium, and the Swiss Federation.

FRANCE

In France, where since the Great Revolution there have been numerous constitutional reforms, the object of the present Constitution dating from 1875 was to establish a republican parliamentary government modeled on the parliamentary system of the British monarchy. The President of the Republic is politically just as irresponsible as is the hereditary king; the only difference being that his term is for a period of only seven years.²

The Council of Ministers (Cabinet) is composed of Ministers with two very specific functions. First, they are "heads of the administrations under the jurisdictions of their respective ministerial departments." And, second, they are Members of the Cabinet and as such are "responsible to the Chambers for the exercise of their political powers"; in this connection "they exercise *in fact* powers which belong *de jure* to the President of the Republic."

The Cabinet or Council of Ministers is responsible for the direction of government, taking all decisions on important matters in the name of the President of the Republic, each Minister being, however, responsible for all matters pertaining to his department. All powers are, in theory at least, vested in the President; but it is the business of the Cabinet to determine "the conditions and the sense in which those powers are to be exercised." That makes the Cabinet in essence "the wheel of the governmental machinery." The Constitution, however, does not contain any measures determining the composition or the powers of that Cabinet.³

The Cabinet is therefore indubitably "an organ of government." To preserve unity in the collective organ known as a ministry that ministry must have a chief or head. In France the head of the min-

² See Duguit, *op. cit.*, Vol. IV, pp. 550 and 806 (*Un roi Parlementaire de sept ans*).

³ Duguit, *op. cit.*, p. 812.

istry or Cabinet is termed "president of the council of ministers"; he is usually a Cabinet Minister, but may also be a minister without portfolio.

This system is evidently founded on that in force in Great Britain, though it differs from the latter in several essentials. For—*inter alia*—in Great Britain the "Cabinet" does not comprise all ministers, but forms a committee composed of the leading ministers only, while on the other hand there is the rigid development of the direct personal responsibility of the ministers, which effectually checks any enhancement of the sphere of authority of the Cabinet Council and of the Prime Minister. The constitutional development of the other Continental States has, however, been more considerably influenced by the French solution than by the British model itself.

Primary importance attaches to the rôle of Prime Minister, who "directs the policy of the government in international and inland affairs alike and speaks on behalf of the whole Government on questions of general politics." In view of the difficulty of the task of keeping the balance between the various departments and at the same time directing a department of his own, he "often fails in his work of co-ordination."⁴

In France the President of the Republic—as contrasted with the King of England—always takes part in meetings of the Cabinet.

This is according to precedent. During the period of the Restoration and of the July Government the King presided over the Council of Ministers. The Constitution of 1848 implicitly conferred upon the President of the Republic the presidency of the Council of Ministers. The practice has been continued, no provision to the contrary being contained in the Constitution of 1875.

The ministers may meet also in the absence of the President, their meetings on such occasions being called "Cabinet Councils" and tracing their origin to the days of Louis Philippe. To-day "Cabinet Councils" and "meetings of the Cabinet in council" are held alternately.

As to the question whether the President may be said to "preside" at meetings of the Cabinet at which he is present, *Pierre*

⁴ Duguit, *op. cit.*, p. 818.

("Droit politique et parlementaire") argues that the presence of the President in no way prejudices the powers of the Prime Minister, whose business it is to give permission to speak, to put questions and to put matters to the vote. As to the question whether the President should vote at meetings of the Cabinet at which he is present, *Esmein* says that it is more in keeping with "the true principles of parliamentary government that, when present at a meeting of the ministers, the President of the Republic should abstain from voting." And that would appear to be the practice traditionally observed.⁵

As to the question how far the irresponsible President is able to assert his influence *de facto* in the direction of affairs,—we know that "by his personal influence and by the confidence which he inspires" the President is able "to exercise an effective and happy influence on the policy of the country and particularly in foreign affairs." No rules can be formulated on this question.⁶

As contrasted with conditions in Great Britain, in France Ministers may enter and also speak at any time in *either* Chamber—even in that Chamber of which they are not Members. And they are not subject to the restrictions governing the right of other Members to speak.

The Chambers are on the other hand entitled to "exercise a general control of ministerial acts"; consequently, the above privilege of ministers "is intended to ensure that collaboration of government and Parliament which is the very essence of a parliamentary régime."

According to § 6.I. of the Constitution of February 25, 1875, "the ministers shall be jointly responsible to the Chambers for the general policy of the Government." This responsibility of ministers is 1. political, in cases where the policy pursued by Government is disapproved by either of the Chambers, the only "sanction" involved being the obligation of the ministers to resign office, and 2. joint, because "it does not affect any particular minister alone, but affects all ministers alike and at the same time." In a dispute on a question of policy in which any one minister is branded spe-

⁵ Duguit, *op. cit.*, p. 819.

⁶ Duguit, *op. cit.*, p. 808.

cifically by a vote of either Chamber the whole Cabinet has to retire—not only the minister directly concerned.⁷

According to the law of 1875, however, this “joint responsibility” is in force only in questions of general governmental policy. This is a thesis which it is extremely difficult to define; but perhaps we may say that it means “that the ministers are jointly responsible for every act revealing the general tendencies of the political leadership of the country as undertaken by the government, alike in internal and in foreign affairs.” These general tendencies may be expressed by divers instruments—by Bills submitted to Parliament, by ordinances (orders in council), by instructions to functionaries or by particular administrative acts of a particular minister.

Now, ministers are responsible individually to both Chambers for the direction of the several departments intrusted to their care. Each minister is responsible, therefore, also for the acts of his subordinates done to ensure the functioning of the public services subordinated to his department. Each minister is responsible to the Chambers for all personal acts of his, whether of a political or of a purely administrative character. In the event of either Chamber disapproving of acts of an administrative character, the minister concerned—and *only the minister concerned*—has to resign.

Originally “the responsibility of ministers to the Chambers was exclusively penal in character. Subsequently, the principle of the political and joint responsibility of the Cabinet as a whole was recognized and adopted.” And “the Chambers eventually adopted the system of calling the ministers to account, not only for matters of general policy, but also for their personal acts.” The Chambers cannot limit the application of this privilege exclusively to questions of general policy; so it was shortly extended to apply “to the whole activity of a minister, even to activity which is purely administrative.”⁸

“No recourse may be had to penal responsibility (which today is quite distinct from political responsibility) except where a minister has in the exercise of his functions committed any act fore-

⁷ Duguit, *op. cit.*, p. 848.

⁸ Duguit, *op. cit.*, p. 850.

seen and defined in the penal code which in terms of that code constitutes an offence."

The question of the civil responsibility of ministers—which may be raised in respect of their relations to individuals and to the State alike—does not involve any obligation to make reparation for the damage inflicted. However, it is only in his capacity as administrator that a minister can be made responsible to individuals.⁹

The above outline throws into relief the main features of parliamentary government as practiced in France. A natural consequence of these characteristics is that the dependence of the president and members of the parliamentary government upon the parliamentary majority involves the possibility of easy and frequent changes—these changes consisting usually of the whole government; and the members of every new government obtain their mandate primarily out of political considerations. This is comprehensible, and even desirable, from the political point of view, but is disadvantageous from the administrative point of view. Thus, of the two functions combined in the ministers, it is the political function which predominates. This is a peculiarity of the parliamentary system which has made its appearance in republics and monarchies alike, leading in both cases to identical results.

BELGIUM

The present Constitution of Belgium dates from 1831.

The report of the Belgian National Commission offers a clear conception of the manner in which the system works in a monarchy. Following are the most important statements of this report.

Article 26 intrusts the executive power to the king. It is the king who appoints and dismisses ministers. The king is not responsible to Parliament; and for that very reason—to quote the text of Article 26 of the Constitution—"the king is incapable of any official act without the countersignature of a minister."

Exercising the executive power vested in the king, the ministers are responsible in this connection to the king himself. The Head of the Government, the Prime Minister, is directly responsible to

⁹ Duguít, *op. cit.*, p. 850.

the king for the policy of his own particular department and for the general policy of the Government.

This exercise of the Executive Power is effected under the control of Parliament. But, having the right of initiative, the Ministers are able to direct the work of legislation, each minister being fully authorized to intervene in the work of drafting laws as well as to coöperate in the work of carrying the laws into effect.

But both the king and the Cabinet need the support of Parliament, that being the body entitled to grant the funds without which the administration cannot function and to vote the laws by which the action of the Government and its initiative in various fields are usually given concrete form.

The Government must have behind it a political majority in both Chamber and Senate. The rôle of the Head of the Government after forming his Cabinet is to assure the collaboration of persons able to gain the votes of these assemblies and to present a program which the majority will be ready to endorse.

This is the origin of the discussions and conversations in the lobbies which usually precede the formation of a government, the Prime Minister designate consulting the political groups and factions of both Chamber and Senate in the question of his political program and of the persons whom he proposes to include in his Cabinet. Such procedure enables government to provide against surprises on its first appearance before Parliament. It really ensures the Prime Minister designate a majority; and "in the event of there being any uncertainty the person charged by the king with the task of constituting a government abandons the attempt."

But this procedure is attended by disadvantages too. Often the original program has to be so changed or amended that what results is a régime of compromises and half-measures. For what people may stress in private conversation it is hazardous and difficult to accept responsibility in public; and a firmness "not often found today" is required of the future Prime Minister if he desires to keep his original program intact: "and he is often tempted to abandon one or other of the points of his program in order to insure the possibility of governing."

However, this is the actual practice: it is a consequence of the fundamental postulate of parliamentary government that there must be an agreement between the Cabinet and the Chambers; and as a matter of fact the practice is spreading.

The splitting up of parties into factions and sub-groups makes the establishment of coalition governments increasingly difficult. The tendency is on the increase; and the splitting up into small units results in particular demands or exigencies which at any moment may make the majority needed very problematical. From time to time, in periods of economic or financial crises or when there is a menace of war, the political parties become united for the purpose of realizing a definite governmental program.

The Prime Minister is only *primus inter pares*; his authority is purely moral in character.

Should he happen to be also Minister of Finance, the Prime Minister is enabled—through the officials subordinate to the Ministry of Finance whose business it is to control actual expenditure—to ascertain whether—and where—there is any extra-budgetary excess of expenditure.

In principle each minister is the plenipotentiary chief of his own department. He is therefore personally responsible for the functioning of that department: but he is responsible, not to the Prime Minister, but to the King. This applies also to the Prime Minister.

In fact the Cabinet works jointly in respect of the function of government. The measures for realizing the governmental program—which is determined in advance and approved by all Members of the Cabinet alike—are discussed in general by the CABINET COUNCIL, which meets to discuss all decisions to be taken for that purpose.

When the program is not determined in advance the CABINET COUNCIL “will have to co-ordinate the initiatives of the Members in a manner ensuring the co-ordination of their efforts.”

This coördination is particularly important to-day, because we have in general “heterogeneous” governments (amalgamated or coalition governments) with programs “often adapted to circumstances” and based “upon reciprocal concessions.” Sometimes the theories and doctrines behind the ideas of the several Members of

the Cabinet are antagonistic in character; for that reason there must be discussion as between the ministers before making important decisions, even where those decisions concern only questions coming within the ordinary powers of those ministers.

Such decisions must observe both the letter and the spirit of the agreement concluded between the ministers. That agreement, namely, forms the source of the amalgamation of the various parties which ensures a majority in Parliament. And it is necessary also owing to the circumstance that "though the several departments are autonomous, any action done within one of them may react on a neighbouring department." Ministerial solidarity, however, militates against any individual minister acting arbitrarily without consulting the opinions of his colleagues. The disavowal of his colleagues of any measure taken arbitrarily by any minister must lead to that minister's resignation. No answer to a question in Parliament relating to the general policy of the Government may be framed without the consent and approval of the other ministers. For appropriations in the Budget for the execution of measures to be effected within the jurisdiction of any individual department the approval of the Finance Minister is not enough; that approval must be endorsed by the whole Cabinet.

That accounts for the importance attaching to-day to the Cabinet Council. Though in pre-War days meetings of the Cabinet Council were quite exceptional occurrences, such meetings are now of everyday occurrence. "It is the Cabinet Council that permits an assurance of the unity of action indispensable in these days of coalition governments."

As author of the governmental program the Prime Minister is peculiarly fitted to ensure a unity of action and a coördination of effort. But on the other hand "each Minister is just as entitled to demand that the Prime Minister shall respect the program for which he has obtained the approval and collaboration of his colleagues." The right due to each Member of the Cabinet to examine the policy pursued by his colleagues is in force also in respect of the Prime Minister himself.

"The responsibility of ministers is the natural complement and the necessary corrective of the inviolability of the Royal Person."

That responsibility enables the Legislature to maintain its prerogatives and the citizens generally to enjoy "all the guarantees assured them by the fundamental covenant." Therefore, to quote the words of an eminent publicist,¹⁰ "an inviolability of the Royal Person without any responsibility on the part of the agents would be equivalent to absolute power."

The principle of ministerial responsibility is formulated in general terms in Article 63 of the Constitution, which stipulates that "the person of the King is inviolable; His Ministers are responsible."

The responsibility of ministers is both *political* and *juridical*. Ministers are politically responsible to public opinion, to the Chambers and to the King.

Their responsibility applies to: A. ACTS OF THE KING, extending, not only to the political and juridical acts of the King, but also to all royal messages and writings which have to be countersigned,—i.e., "to all acts whatsoever of the King—even to his abstentions—likely to exercise a direct and immediate effect upon the political and juridical order of the country."

B. Ministers are also responsible for PERSONAL ACTS DONE IN THE CAPACITY OF MINISTERS: here the responsibility of ministers extends, not only to their positive actions, but also to any omissions or negligence of which they may be guilty.

1. The responsibility of ministers TO PUBLIC OPINION "renders them liable to the censure of the free press and manifestations of public sentiment by all the means at the disposal of that public opinion—petitions, meetings, popular movements etc. . . ."

2. The responsibility of ministers TO THE KING is real and serious, as shown by the events of 1834, 1857 and 1884, when "a disagreement between King and Ministers led to the resignation of the Government." But generally speaking the Head of the State exercises his authority only in small things—deferring his signature of documents, indifference and inactivity, etc.

¹⁰ *Orban*, "Le Droit Constitutionnel de la Belgique," I-II, No. 143.

3. The responsibility of ministers TO THE CHAMBERS is subject to the methods and postulates of parliamentary procedure. It may result in the forced resignation either of individual ministers or of the whole Cabinet. The latter is involved in all votes of confidence relating to matters of general policy—even where it is a question of isolated acts of a particular minister, provided those acts affect the general policy of the Government.

“The political responsibility of ministers, the normal ‘sanction’ of which is the fall of the Cabinet, is in force in Belgium in respect of both the Senate and the Chamber of Representatives.

“The juridical responsibility of ministers may be either civil or penal. And this responsibility may be incurred by reason of an ACT UNDER CIVIL LAW OR OF A FUNCTIONARY ACT.”

The Continental parliamentary systems more or less resemble the French and Belgian varieties; they show important deviations only in particulars.

An essential difference is that contained in the Swiss Constitution which makes the executive power or rather its representative—the Government—entirely dependent upon Parliament.

SWITZERLAND

Switzerland is a Federal State (*Confédération Suisse*) composed at present of 25 complete or half cantons. Its Constitution dates from 1848. The political rights are exercised by the Federal Assembly consisting of two Chambers, the elected National Council of 187 members and the Council of States (*Conseil des Etats*) of 44 members representing the Cantons. In Switzerland the Chief Executive is elected by two Chambers and is called the Federal Council. It consists of seven members whose period of office is four years. The Federal Council is presided over by the President of the Confederation who is also elected by the two Chambers from among the seven members of the Federal Council, for a period of one year. The Vice-President is elected in the same manner and for the same period. No one may hold the office of President or Vice-President two years in succession.

Thus, the President of the Confederation is Head of the State and Prime Minister too. His legal status is determined in a quite peculiar manner. In the Federal Council he is merely *primus inter pares* and has no influence whatsoever on the election or dismissal of Members of the Council. Those members are elected by Parliament without his being consulted in the matter. In the election of the Federal Council the only importance attached to party-membership is that Parliament takes care that the three big national parties shall be given proportionate representation. It is, however, not correct to say that the members of the Federal Council are ministers, as they would be in other parliamentary States. This is shown also by the fact that the Members of the Council remain in office for years, and indeed for decades; for the institution of "cabinet crisis" is unknown in Switzerland. In Parliament the Members of the Federal Council present bills, give information as required about the bills, and answer questions put; but no decision of Parliament has any effect on the position either of the Head of the Government or of the members of that Government. Should Parliament reject any motion or bill presented by the Federal Council, both the President and the members of that Council remain in office as before. According to the Swiss Constitution, no one, not even Parliament, is entitled to remove the Members of the Federal Council. Should Parliament or the electorate raise any objection to the person of any member of the Federal Council, he nevertheless remains in office until the expiration of the period of four years; at worst, he is not reelected. Since 1848, there has been only a single case of a Federal councilor not being reelected, and that was for purely personal reasons; and there has been only a single instance, toward the close of the Great War, of a Federal councilor being compelled to resign (that was owing to a political mistake).

Both the governmental policy and the supreme direction of public administration are under the control, not of the several members, but of the Federal Council as a whole and jointly.

Owing to the longer duration of their terms of office, the members of the Federal Council are enabled to become familiar with the respective departments under their direction; and usually persons

with qualifications are elected. The department of justice is always under the direction of a jurist; and the majority of the other Federal Councilors are also jurists—at present, the Council contains one agriculturist.

The members of the Swiss Government are responsible only to Parliament—i.e., to the two Chambers jointly.

So the President of the Swiss Confederation is Head of the Government, like the President of the United States of North America. There is, however, an enormous difference between their respective legal status. The President of the American Union is elected by the electorate itself; and it is he who appoints and removes the members of Government, who are responsible to him alone, and not to Congress. Every member of the Swiss Government is, however, elected directly by the Federal Assembly. And the rôle of Government in the Union is far more subordinate. That is why the *presidential* Constitution of the United States of North America is called the *strong executive* system as against the Swiss system of a government entirely dependent upon Parliament. Between the two stands the third system described above under which the depository of the executive power, whether monarch or president of a republic, is independent of Parliament, and the Government appointed by him is responsible to him and to Parliament alike. However, the spread of the system of universal suffrage which has made such headway in the last fifty years has in Europe everywhere led to a noteworthy shifting of the relation between the two originally equal powers, the Chief Executive and Parliament in favor of the latter. The effects of the influence of Parliament are shown very clearly in the Belgian Report. It leads to a splitting up of parties making necessary the formation of coalition governments. The assertion of party interests often acts to the prejudice of public interest. And each party has to play some rôle to curry favor with the electorate. That leads to Parliaments becoming the scene of superfluous displays of oratory and of personal vanity. The defeat of a government becomes an end in itself; and the formation of a government is often merely a compromise resulting from protracted and complicated haggling. This in its turn, apart from detrimentally affecting the activity of

Parliament, renders government difficult too. It is for these reasons that there has developed in recent decades that dissatisfaction with parliamentarism which in many countries has led to a talk of the crisis of parliamentarism. It is undoubtedly due to this dissatisfaction that the Russian, Italian, and German Revolutions all alike have carried into effect a program including the abolition of parliamentarism and have placed the governments in those countries in a position far more independent of the control of the legislature. A development of this kind is in evidence, however, also in countries which have not rejected the parliamentary system; traces of that development being found, for instance, in the 1935 Polish Constitution.

§ 25. POLITICAL FUNCTION OF GOVERNMENT IN DICTATORIAL (AUTHORITATIVE) STATES

A feature common to all three "authoritative" States alike is that they have abolished parliamentary parties and acknowledge only one party, to which an important rôle is assigned, not only in the legislature, but also in public administration, while its leader has obtained an exceptionally great influence on the executive power.

ITALY

In the readjustment of the political status of the Head of the Government following the abolition of Parliament, there are essential differences between the three systems. The most dominant rôle allotted to the person of the Head of the Government in the new Constitutional structure is that assigned by Fascism. Here the status of the Head of the Government has developed only gradually by means of consistent and deliberate action. Of his present status we are given a thorough idea in the work of *Vincenzo Corsini* entitled "*Il Capo del Governo nello Stato Fascista*."¹¹ In my present discussion I have taken this work as my basis.

"Fascism is fighting relentlessly, in political and economic matters

¹¹ Vincenzo Corsini, "*Il Capo del Governo nello Stato Fascista*" (Nicola Zanichelli, Editore, Bologna, 1935), p. 322.

alike, against the teachings of liberalism."¹² "Fascism killed political liberalism as far back as June, 1923, when the Grand Council of Fascism was established. And in November, 1933, the establishment of the corporations killed economic liberalism too," to use the words of Mussolini himself.

The anti-parliamentary attitude of Fascism is based upon the thesis that the liberal theory of separation of powers in practice developed into a state of mistrust between the holders of power and indeed of open antagonism between them.¹³ Instead of a division of power, the Fascist Revolution established the sovereignty of the State in its organic unity. As a consequence the place of parties representing particular interests was taken by a single party expressive of the conception of a united State and representative of national aims superior to the aims of social classes.

The corporations serve to discipline and control economic life. In order, however, to provide for the corporations' being able to attain their objects and for the corporation system's being able to develop in its entirety, there is need, according to Mussolini, of the following three conditions:

1. The existence of *one single party* assuring political discipline parallel with economic discipline.
2. In addition to a single party, there is need, however, also of a State embracing the whole volume of the people's energy, all its interests and its hopes for the purpose of transforming and strengthening them.
3. Finally, there is need—and this is the most important of the conditions—of an age of high, ideal tension.¹⁴

After taking over the power the *Duce del Fascismo* proved able to convert the rôle of Head of the Government also into an organ directing the dynamic force of a united State and furthering its activity. He replaced the utopian unity and abstract responsibility of

¹² Benito Mussolini, "La Dottrina del Fascismo" (1934, Istituto della Enciclopedia Italiana), p. 171.

¹³ Corsini, *op. cit.*, p. 57.

¹⁴ From a speech delivered by Mussolini on November 14, 1933, on the question of a corporative State.

the Cabinet system by the formation of a government of which he himself, as leader of the revolution, is head, and whose members are not representatives of various groups of interests, but the well-disciplined collaborators of the President.¹⁵ This was the actual situation incorporated in the form of law by the Act ("*Attribuzioni del Capo del Governo*") dated December 24, 1925, converting the office of *Presidente del Consiglio* into that of *Capo del Governo*. This Act provides that ministers shall be responsible, not only to the King, but also to the Capo del Governo. This is the provision, new in principle, which resulted in the Capo del Governo's acquiring absolute supremacy over the ministers, becoming their hierarchical head. Thereby direct contact with the Head of the State and all appeals to him were relegated exclusively to the sphere of authority of the Head of the Government. It is his function to direct the activity of all the ministers and to reconcile all differences that may arise between them. To his sphere of authority belongs every activity of Government not exclusively the work of a particular department—everything of a general character; i.e., everything concerning all ministries alike, and everything requiring coördination or integration on the part of a central organ.¹⁶ The direction of the activity of the ministers also implies the right of the Capo del Governo to give them instructions of a binding character. The principle of hierarchy and subordination, which is an indispensable element of the disciplined activity of every organ of action, was first applied to the highest organ of the State, the Government.

In order to realize the aims of the State it is necessary to insure prompt and effective action, and above all to insure complete unity in action. The legislature is incapable of performing this function, even if we remove the principal anomalies of the parliamentary system. The Fascist State regards as untenable the supremacy of the legislative function. Reversing the principle of the parliamentary State, it professes that it is not true that all functions not expressly allotted to the sphere of authority of other organs are reserved for Parliament, but that on the contrary, the Government is responsible

¹⁵ Corsini, *op. cit.*, p. 43.

¹⁶ Corsini, *op. cit.*, p. 148.

for all State functions which are not expressly reserved for the legislature or some other organ.¹⁷ As a consequence, the sphere of authority of the Fascist Government is as follows:

1. Its sphere of authority extends to every field of national activity. This sphere of authority has as its object to further, direct, control, enhance and develop all actions in a manner providing that those actions shall always be in harmony with the realization of the national aims and contribute in the greatest possible measure to that realization.

2. That sphere of authority has for its object to carry out uninterrupted, accurate, and effective actions, to coördinate all State activities, and to adjust them to the dynamic requirements of a national life which is constantly changing.

3. In the determination of its own many-sided, complex functions the Government enjoys the right of self-determination, which means the enforcement of the will of the Capo del Governo, without that will being in any way made subject to the approval of any Chamber, of the Cabinet Council, or any other organ.¹⁸

4. The Government is empowered to employ its own organization and the personnel of its organs at all times in a manner which will produce the most efficiency and respond best to actual requirements.¹⁹

In this way the principle of the liberal State that the State shall interfere as little as possible in the life of the nation, has been replaced by the principle that the Undivided Fascist State shall become a living and active force by means of the activity of the Government.

The Capo del Governo, who is responsible for the direction of all this activity, may himself personally assume the performance of all those functions the importance or urgent character of which in his opinion make such procedure necessary.²⁰ He may in this way by Royal Edict appropriate any matter belonging to the sphere of authority of one or more ministers, and may also do what he is

¹⁷ Corsini, *op. cit.*, p. 43.

¹⁸ Corsini, *op. cit.*, p. 67.

¹⁹ Corsini, *op. cit.*, p. 129.

²⁰ *Ibid.*, p. 146.

very often in the habit of doing, take over the direction of several ministries simultaneously. It has happened that of the fifteen ministries eight have been under his control—these latter usually including the most important; he has in turn taken over all the ministries. The law also permits him to transfer—by an ordinance of his own—part of the business of different ministries under his control to Undersecretaries of State (*Sottosegretario di Stato*). The Capo del Governo has thus proved able to introduce into every activity of the State a rapidity of action in keeping with the dynamics of national life and with the requirements dictated by the program of the State.

The logical application of this principle is manifested also in the fact that the Council of State (*Consiglio di Stato*) originally subject to the jurisdiction of the Minister of the Interior; the *Corte dei Conti* (Audit Department) and the *Avvocatura Generale dello Stato* (Office of Lord Advocate) originally subject to the jurisdiction of the Minister of Finance, have been placed under the jurisdiction of the Capo del Governo. It is only the Capo del Governo that can assure the harmonious coöperation of these organs with the other organs of State. This object he achieves by two means: first by the fact that the supplementation of the three organs depends upon him, and second, by frequent contact with the heads of the organs themselves.²¹

However, the Capo del Governo has another important sphere of authority in addition to the usual jurisdiction of Government, namely that of directing the *Gran Consiglio del Fascismo*, of which he is the President. Through the agency of this organ, which enjoys important powers under the Constitution, particularly the nomination of the successor to the Capo del Governo and of the succession to the Throne, the Capo del Governo is able to exercise a decisive influence on the institutions and organized forces of the régime and to check the realization of his intentions by his daily intercourse with the Secretary-general of the Fascist Party.

Another extensive area of authority enjoyed by the Capo del Governo is that incidental to his influence upon the economic or-

²¹ *Ibid.*, p. 158.

ganization of the national society. He controls and watches the activity of the syndical organizations either directly or through the minister of corporations. The syndicates' function is, not to be the organizations of individual social classes, but to be combinations of all nationals alike according to social categories. They are, therefore, the organs of national society, as a whole. These organs, which, therefore, comprise the whole unit of national society, are the elements of the corporative order (*Ordinamento Corporativo*).

The divergence between the functions of the syndicates and the corporations respectively, and their reciprocal relations, are described in the following terms by Declaration VI of the *Carta del Lavoro* (April 21, 1927): The *trade unions* ("*associazioni professionali*") recognized by law ensure equality as between employers and employed, maintain the discipline of production and of labor, and contribute to perfect the same.

The *corporations* constitute an organization unifying the productive forces and fully represent the interests of the same.

Seeing that these corporations are integral bodies and that the interests of production are national interests, the corporations are recognized by law as being State organs.

The organization of the "*associazioni professionali*" is dealt with on the basis of the principles of the *Carta del Lavoro* in the Act of April 3, 1926 (*Legge sulla disciplina jurídica dei rapporti collettivi del lavoro*) and in the Royal Edict No. 1130 (R. Decreto 1° luglio 1926). The corporations were dealt with in the Act of February 5, 1934 (*Legge sulla costituzione e funzioni delle corporazioni*).²²

The *associazioni professionali* (Associazioni sindacali, Federazioni, Confederazioni) are legal persons, but not State organs. The corporations are, however, organs of the State public administration.

The supreme organ of the Corporation Order is the *Consiglio Nazionale delle Corporazioni* (established by Royal Edict dated July 2, 1926 and amended by the Act of March 20, 1930—the *Legge sulla riforma del Consiglio Nazionale delle Corporazioni*), and the

²² See "Legislazione e ordinamento sindacale corporativo" (1934, Istituto Nazionale Fascista di Cultura), p. 600. See also "Ministero delle Corporazioni. Le Corporazioni. Lavori preparatori. Legge e decreti istitutivi. Composizione. Insediamento," Roma, Istituto Poligrafico dello Stato, 1935, XIII, p. 288.

executive committee of the same known as the *Comitato Corporativo Centrale*. The President of both bodies is the Capo del Governo.

The constitutive elements of the Order of Corporations are the following:

a. Legal regulation of the economic conditions of the several social classes and groups by means of the regulative influence of the various newly-established special organs (corporations, Consiglio Nazionale delle Corporazioni) and the settlement of legal disputes arising from labor conditions by a special court (Magistratura del Lavoro). Thus, instead of antagonism and constant warfare of the social classes, which, in the absence of any judicial regulation, is in each individual case settled only by the relative influence of employers and employed, the Fascist State undertakes the regulation of these conditions by means of suitable new organs and on the basis of its own legal enactments.

b. The regulation of national production and the maintenance of the balance of that production by insuring a regular development and by continually improving the output and reducing the cost of production, through the agency of the corporations and the Consiglio Nazionale delle Corporazioni, which are State organs, since their activity affects the whole body of the nation. This is how the Fascist State, by maintaining and taking care of individual initiative, solves all those questions in economic life which in the parliamentary system, and in the opinion of Liberals, lie outside the sphere of authority of the State and for the solution of which parliamentary governments are unsuitable.

c. A readjustment of the State from the legal and political points of view with due regard for the corporative organization of the national society, viewing the citizens, not as separate individuals, but as constitutive elements of the national community. This is how the formation of the House of Deputies is effected on the basis of the nominations of the Gran Consiglio del Fascismo, the same procedure being applied also in respect to the formation of the local and provincial autonomous organs.²⁴ The formation of the twenty-

²⁴ See Corsini, *op. cit.*, p. 189.

two corporations was directed personally by the Capo del Governo in his capacity as Corporation Minister; and it is his function also to determine the relations between the corporations and the other organs of the State administration.

Another function of the Capo del Governo is the supreme direction of preparation for a national war and the uniform organization of the various sections of the armed forces. The Act of December 31, 1928, determines the sphere of authority of the Chief of the General Staff, who is thereby made immediately subordinate to the Capo del Governo.

The Capo del Governo is *not* responsible to Parliament.

Fascism, therefore, denotes a profound change in the political status of the Head of the Government (Premier) together with a parallel extension of his jurisdiction to important new areas of the national life.

GERMANY

The German National Socialist Party took over the reins of Government on January 30, 1933. During the period that has elapsed since, it has had to solve a peculiar problem—the transformation of a *Bundesstaat* (Federal State) into a united empire. The measures affecting the position of the Head of the Government so far put into force are the following:

Adolphus Hitler, Leader of the National Socialist German Workers Party (NSDAP), was on January 30, 1933, appointed Chancellor (Reichskanzler) by President von Hindenburg. After the death of von Hindenburg, by an Act dated August 1, 1934, the offices of President of the Empire and Imperial Chancellor were united, and the powers previously enjoyed by the President were transferred without limit of time to Adolphus Hitler, who has since that time been "Führer" (Leader) and Chancellor in the same person. This Act was on August 19, 1934, submitted to a plebiscite of the German people and received a majority of 90%. The adjustment of the matter *profuturo* is to be the work of the new Constitution, which, to use the words of a statement made by Adolphus Hitler at the 1935 Reichsparteitag (Party Meeting), "will make the Führer, who-

ever he may be, simultaneously Leader of the Party, Head of the Empire and Commander-in-Chief of the Army."

According to the first measure taken by the National Socialist Government (*Gesetz zur Behebung der Not von Volk und Reich*, dated March 24, 1933) imperial laws may be enacted, apart from the procedure defined previously in the Imperial Constitution, also by the Imperial Government. These laws may deviate from the Constitution. They shall be signed and promulgated in the Imperial Law Gazette by the Imperial Chancellor. A law of this kind was the Act of August 1, 1934, dealing with the Head of the State of the German Empire (*Staatsoberhaupt des Deutschen Reiches*) as well as numerous later laws of importance. These laws amend the Constitution in certain particulars; but in respect to provisions that have not been amended the older (Weimar) Constitution is still in force. These measures denote a deliberate break with the theory of separating the principal functions, the legislature being relegated to the background and the jurisdiction of the executive considerably extended.

In its whole organization, from the smallest unit (the Parish) up to the supreme leadership of the Empire, the State rests on the principle of personality. There are no decisions of the majority, but only of responsible persons. And the term "council" has had its original meaning restored to it. Everyone has advisers attached to him; but the decision is always the responsibility of a single person. The Führer is to give orders to his inferiors and be responsible to those above him. This is the fundamental idea of the *Führerstaat*.

The same system is in force in the Imperial Government too. The Führer-Reichskanzler, who is at the same time the Head of the State, is naturally not *primus inter pares*, but Head of the Government, too. His supremacy is manifested also in the fact that his will alone decides. For the members of the Government, the Reich-ministers, constitute what is known as a "*Führerrat*." Decisions of importance are taken only after deliberation with this Führerrat. However, the Imperial Government as such does play some rôle in respect to the laws already mentioned, which are not submitted for approval either to the Reichsrat (Imperial Council) or to the people.

In the matter of selecting and removing ministers the powers of the Government and of the Head of the State are not subject to restrictions. As a consequence of the permanency of the Führer's office, and of the one-party system, there are no general changes of Government such as the rule in the parliamentary system; only there may be changes of persons for special reasons (sickness, appointment to other posts, unsuitability). The number of ministers at present is 16—13 with, and 3 without, portfolios. Their number may, however, be changed, since it is not determined by law.

The Head of the State is responsible to the people. The ministers are responsible to the Head of the State. Thus there is no parliamentary responsibility. The institution of ministerial countersignature in force in parliamentary States is also unknown in the Führerstaat. The "line" ministers usually provide the statements of the Head of the State and the laws and ordinances issued by him with a "co-signature" (*Mitzeichnung*), not with a "countersignature" (*Gegenzeichnung*), thereby undertaking responsibility for their correctness, in form and in content.

The sphere of action of the National Socialist State, like that of the Fascist State, extends to many fields with which the Liberal State has nothing to do. This is true, in particular, of the work for the preservation of harmony between the various social classes and of the control of the economic life and of production, although the National Socialist State also expressly maintains and acknowledges private ownership and individual initiative. It was for the performance of these new functions that the various organizations already referred to were instituted—the National Socialist Party itself, the *Reichsnährstand*, the *Reichskulturkammer*, the *Arbeitsfront*, and the *Organischer Aufbau der Deutschen Wirtschaft*. These organizations are not, however, under the immediate personal direction of the Führer, as the similar Italian organizations are of the Duce. Of the big organizations the only one established by the Führer himself is the Party, the leadership of which is still in his hands. The establishment and personal direction of the other organizations are in the hands of ministers, one Reichminister being responsible for each organization. The organizer and leader of the *Reichsnährstand*,

for instance, is in the hands of the *Reichminister für Ernährung und Landwirtschaft* (Darré). The *Berufsstand* of the intellectual occupations (literature, art, theater, film, press) is under the control of the *Reichminister für Volksaufklärung und Propaganda* (Göbbels). The *Reichsarbeitsfront* is under the control of the Minister of the Interior (Frick). The leader of the *Organischer Aufbau der Deutschen Wirtschaft* was the *Reichswirtschaftsminister* (Schacht). The organizer and leader of the Army is the War Minister (Blomberg). The Imperial Ministry of the Interior is called *Organisationsministerium*, which shows that the main questions of organization are also entrusted to "line" ministers. These are powerful new organizations whose personnel is composed in part by permanent, technically trained employees. The coördination of their activity and the political harmony of that activity with that of the official State organization are assured by the Party and the Imperial Government. The contact between the Party and the official machinery of the State, and the imperial Government is maintained in the interest of political harmony by the Deputy Führer (Hess), who is for that purpose a member without portfolio of the Imperial Government.

For this purpose, there is organized a liaison service (*Verbindungsstab*) subordinate to the Deputy-Führer. This office comprised permanent officials of the Reich who were also party members. The Deputy-Führer is considered to be interested in every measure of importance and for drawing up bills. These regulations, therefore, are communicated to him and he has them studied by the liaison office and by the appropriate party bureau in order to be able to present his observations on these topics in the cabinet.

A new movement of a noteworthy character is the following: As a consequence of the unification of the Empire, the officials of the former Federal States have become imperial officials. The two categories were differentiated by those who were originally imperial employees being called "*unmittelbare Reichsbeamte*" and those who became so after the act of unification being called "*mittelbare Reichsbeamte*." The local authorities have also professional officials of their own, except parishes (towns) with less than 10,000 inhabitants, in which the administrative functions are in the hands of honorary

officers. The conditions of service of all these categories are adjusted uniformly by the *Reichsbeamtengesetz* (Imperial Employees Act), January 26, 1937.

However, just as formerly the public administrations of the Empire and the Federal States respectively had been independent of one another, now a similar parallelism has developed as between the unified imperial and communal (parish, municipal) administration on the one hand and the administration of the *Öffentlich-rechtliche Körperschaften* (Corporations with a public character) on the other hand. The legal status of the professional, permanent employees of the *Reichsnährstand*, the *Reichskulturkammer*, the *Arbeitsfront*, the *Wirtschaftskammer*, the *Akademie für Deutsches Recht*, etc., has not yet been definitely fixed or integrated in a uniform system, or has their relation to older professional bureaucracy been straightened out.

This parallelism existing in Germany between the older professional bureaucracy and the new bureaucracy of the *öffentlich-rechtliche Körperschaften*, has an analogy in the parallelism that has developed in the United States as between the older departments (ministries) and the Recovery Administration organized by President Roosevelt.

Though the Imperial Ministry of the Interior has been called the *Reichsbeamtenministerium* (Imperial Civil Servants Ministry) because its "federführend" sphere of authority has been acknowledged to apply also to questions of civil service, the inclusion in that sphere of the personnel matters of the *öffentlich-rechtliche Körperschaften* has not yet been effected. So the work of integration in this direction is still to be accomplished.

SOVIET UNION

State life here has been built up on the basis of soviets, after rejecting the principle of the separation of the chief functions and parliamentarism. As Stalin himself says, "The Soviet-power is a new form of State differing in principle from the older bourgeois, democratic and parliamentary form."²⁶ The soviets are the mass organiza-

²⁶ Stalin, *Probleme des Leninismus*, Vol. I, p. 50.

tions of the town and village workers. They are direct organizations of the masses themselves, and therefore the most democratic and the most authoritative organs of the masses. They facilitate the participation of those masses in the construction and in the public administration of the new State, and liberate the revolutionary energy, initiative and creative force of the masses for the purpose of destroying the older order and building up the new proletarian order.²⁷

"By virtue of its peculiar structure the Soviet-power facilitates the direction of the oppressed, exploited masses by their vanguard, the proletariat, which is the best-disciplined and most class-conscious nucleus of the soviets."

There are soviets in villages, towns, "rayons" (departments), provinces, in the eleven member States of the Union and in the Union itself. Their jurisdiction extends, not only to legislation, but also to decisions in concrete cases. The members of the soviets are elected by the masses. The soviets are, however, bodies containing a very large number of members which are not suitable for frequent sessions. The Soviet of the Union meets every three years; and where there is sufficient ground for so doing, the Executive Committee may prolong the interval between sessions. Each Soviet has an Executive Committee, which functions in the intervals between Soviet Assemblies. The most extensive jurisdiction of all these Committees is that enjoyed by the Central Executive Committee (C.E.C.) of the U.S.S.R., the powers of which are defined in the U.S.S.R. Constitution of 1924 as follows:²⁸

§ 17. The Central Executive Committee of the Union shall publish all codes of law, decrees, decisions and ordinances, shall concentrate in itself the work of legislation and administration in the U.S.S.R. and shall determine the spheres of authority of the Presidential Board of the Central Executive Committee and of the Council of People's Commissaries.

§ 18. All decrees and decisions defining the general rules of the political and economic life of the U.S.S.R. or effecting any changes

²⁷ *Ibid.*, p. 52.

²⁸ L'Annuaire Diplomatique du Commissariat du Peuple pour les Affaires Etrangères, 1934.

in the existing practice of the public organs of the U.S.S.R. State, must without fail be submitted for the purpose of examination and approval to the Central Executive Committee of the U.S.S.R.

§ 20. The Central Executive Committee of the U.S.S.R. shall be entitled to invalidate or suspend the effect of all decrees, decisions and ordinances issued by the Presidential Board of the Central Executive Committees of the Federal Republics, and also of any other political organs in the territory of the Union.

§ 29. In the intervals between the meetings of the Central Executive Committee of the U.S.S.R., the Presidential Board of the Central Executive Committee of the U.S.S.R. shall be the supreme legislative, executive, and administrative organ of the U.S.S.R.

We see, therefore, that in the soviets the legislative and executive functions are not separated.

The rôle of Government is played by the Council of People's Commissaries (Sovnarkom: President, Molotov), which is responsible to the C.E.C. and to the Presidential Board of the C.E.C. respectively. The Council of People's Commissaries also possesses both administrative and executive powers. It has a President and a Deputy-President.

The new Constitution of 1936⁸⁰ replaced these provisions with others. It changed the character of some of the organs and to some extent altered the fundamental principles, too.

According to the new Constitution the supreme organ of the State is the Supreme Council (Verkhovny Soviet) (§ 30). This Council is elected for a period of four years; it consists of two Chambers—the one being called the "Council of the Union," and the other the "Council of Nationalities." The two Chambers have all together 1143 Members. The Council holds two ordinary sessions every year, extraordinary sessions being held as required.

The legislative power is exercised in the U.S.S.R. solely and exclusively by the Supreme Council (§ 32). Its sphere of authority is, however, not only legislative, but administrative, too. For according to § 31 of the Constitution the Supreme Council exercises all the rights vested by § 14 of the Constitution in the Union—~~in the Union~~

⁸⁰ See *Journal de Moscou*, December 8, 1936.

the Federal organ, not in the Member States (of which there are at present 11). The powers vested in the Union are in part exercised, not by the Supreme Council itself, but—subject to being called to account by the Council—by the Presidential Board of the Supreme Council (consisting of the President, the 11 Vice-Presidents, the Secretary and 24 Members) or by the Council of People's Commissaries (Sovnarkom), which consists of the President, the Vice-President, the President of the Gosplan, the President of the Soviet Control Commission, the People's Commissaries and the Presidents of three Commissions, or by the People's Commissaries themselves (8 Federal and 10 Federal-Republican).

Delegated legislation is exercised also by the Presidial Board of the Supreme Court and by the Council of People's Commissaries. Decisions and ordinances of the Council of People's Commissaries must be unconditionally carried into effect in the whole territory of the Union (§ 67). This means that these decisions and ordinances over-ride even the laws of the Member States. The Council of People's Commissaries is in the sphere of authority of the Union empowered also to invalidate—alike in the administration and in the economic field—decisions taken and instructions issued by the People's Commissaries and the Councils of People's Commissaries respectively of the Member States (§ 69).

The Member States and their subordinate local units (regions, autonomous regions, departments, districts, towns, villages) have also elected soviets and executive committees of their own—the latter with administrative functions (§ 94).

There is no Head of the State. The functions of the Head of the State are performed by the President of the Supreme Council of the U.S.S.R. (Kalinin), who is, however, responsible to the Supreme Council.

In addition to all these constitutional organs a rôle of great importance is played by the Bolshevik Party itself, the organization of which resembles that of the administrative branch (local, "rayon," "oblast," Member State, Union). It also possesses General Assemblies in every grade, together with Executive Committees (E.C.) and Presidential Boards of Executive Committees. The Executive Com-

mittees are divided into several subcommittees, the most important of which is the political department, the "Politbureau."

Until his death, Lenin was President of the Council of People's Commissaries and at the same time President of the Party. Under him Stalin acted as Secretary-General, there being also three secretaries of the Party. Since the death of Lenin in 1924, Stalin has retained office as Secretary-General of the Party; and since then the Party has not had a leader. Stalin is at the same time head of the Politbureau. He is not a member of the Council of People's Commissaries; however, his decisive importance in every question is proved by the fact that all ordinances of the C.E.C. or the Presidential Board and of the Council of People's Commissaries have to bear, in addition to the signature of Kalinin or Molotow respectively, also the countersignature of Stalin as Secretary-General of the Party.

It is, therefore, beyond doubt that the Soviet Union also emphasizes the paramount importance of the executive power. In the exercise of that power it acknowledges no Head of the State. Nor does it grant a dominant personal sphere of authority to the Head of the Government nor to any other organ; but on the other hand it insures the permanency of the corporative organs, the most important of which from the point of view of government is the Council of People's Commissaries. In the Council of People's Commissaries, there is not a possibility of any general change (removal of the Council as a whole) such as is usual in the case of parliamentary governments; and during the 20 years that have passed since the establishment of the system, there have only been partial changes due entirely to personal reasons. This insures that body great stability and makes it possible to pursue a consistent policy. We have seen the same situation prevailing in Germany, too; where as in Fascist Italy only the Capo del Governo himself is permanent; and he deliberately changes the members of the Government every three or four years—this being called "change of guard."

We see, therefore, that in all those States which have passed through a Revolution, the development is unanimously in the direction of an increase in the weight of the executive power and

an abolition of the supremacy of the legislative power. This Revolution has affected the biggest States of Europe. All three are Great Powers. With antecedents and circumstances of divergent character in all three cases, this identical tendency is all the more characteristic. Another fact which is, however, equally characteristic is that the 1935 Constitution of Poland has proposed to achieve similar results without a revolution.

POLAND

Since the restoration of her independence the Constitution of Poland has repeatedly been changed. In 1919, in 1921, in 1926, and in 1935. The first development expanded the legal status of Parliament. Under the Constitution of 1926, however, and still more under that of 1935, the spheres of authority of the Head of the State and of the Prime Minister were deliberately extended to the disadvantage of Parliament.

According to the Constitution of 1919: "The Constituent Diet is the sovereign and legislative power of the Polish State. . . . The Head of the State is the supreme executive authority assuring the execution of the decisions of the Diet in both military and civil questions."

The new bases of the régime of the State comprised in the Constitution of April 23, 1935, place the Prime Minister at the head of the Government and stress the import of his relations with the President of the Republic. The principle of the supremacy of the President of the Republic by virtue of which the sole and indivisible authority of the State is concentrated in his person is developed logically by the inclusion of the Government among the organs subordinated to that authority. The new principle of the supremacy of the Head of the State over the Government as opposed to the previous principle of the function of the President of the Republic and of the Ministers as organs of the nation of the field of the executive power of the State, places on an entirely different plane the rôle of the Head of the Government, who becomes henceforth a constitutive factor of the Government distinct from the Ministers and even more represents the Government himself.

The 1935 Constitution, having abolished the previous character

of the function of the Prime Minister, who under the Constitution of 1921 was in principle *primus inter pares*, confers on him the competence necessary for the direction of the work of the Government and for the establishment of the general principles of the policy of the State, independently of the representative function mentioned above. There can be no doubt that in conformity with the rights of the Prime Minister thus determined the said Prime Minister is called upon to assume the function of liaison with the Head of the State by the fact that it is he who informs the President of the Republic of the work of the Government—i.e., not of his own work only, but also of that of the several Ministers.

It will not be superfluous to mention in this connection the influence that may be exercised upon the election of the President of the Republic by the person of the Prime Minister whom the Constitution includes among those taking part in the National Assembly charged to elect the candidate to this post.

The Prime Minister enjoys a privileged position within the Government. *His authority is superior to that of the Ministers* (that being so *de facto* since 1926).

The superiority of the Head of the Government, as granted by the legislators of 1935, proceeds from the fact:

1. That he is the promoter of the general policy of the Government.
2. That it is he who chooses his collaborators.
3. That he represents the Government.
4. That he directs the work of that Government.
5. That it is on his advice that the President of the Republic designates the questions to be treated as urgent in the extraordinary sessions of the Diet (Articles 12, 25, par. 3, and 36, par. 2).

It is the Premier who controls the activity of all departments; moreover, his previous approval is necessary for decisions of ministers relating to:

1. The organization of the ministries.
2. Regulations, recruiting and functioning of the personnel.
3. Certain questions touching public economy and public finance.

The relation between the Premier and Parliament is also in a state of evolution. Under previous Constitutions the responsibility for the policy of the Government devolved upon the Government as a whole.

The Constitution of 1935 reduced the parliamentary responsibility of the Government as a whole to an exclusive responsibility on the part of the Prime Minister. All Bills have to be presented by him. He is also the responsible factor in the field of the regulation of the work of Parliament.

The Constitution demands the countersignature of the Prime Minister as a requisite for the validity of the governmental acts of the President of the Republic not included in his prerogatives or in other words his personal powers. This latter group of acts does not require any countersignature; it includes the right of designating one of the candidates for the functions of President of the Republic and of ordaining a universal suffrage for the purpose of his election, the designation in time of war of the successor of the President of the Republic, the appointment and removal of the Prime Minister (President of the Council of Ministers), the First President of the Supreme Court and of the President of the Public Audit Department, the appointment and removal of the Commander-in-chief and of the Inspector-General of the Armed Forces, the designation of the members of the State Tribunal, the designation of Senators whose mandate depends upon his election, the appointment and removal of the Head and of the functionaries of the Civil Chancellery, the dissolution of the Diet and of the Senate at a time prior to the expiration of the legislature, the sending of members of the Government for trial before the State Tribunal, and the exercise of the right of pardon.

The Prime Minister has the undisputed right to inquire into the activity of members of the Government, a right dictated by the need for providing that all departments shall follow a uniform political trend designated by the Prime Minister. The application in practice of the principle explained above depends upon the regular personal contact between the Premier and the Ministers. It should

also be noted that if so desired by the Premier, all departments have to submit to the Prime Minister information, material, and dossiers.

The Prime Minister enjoys also the right to intervene in certain sectors of departmental policy, e.g., in questions relative to personnel, thus centralizing the whole policy of the State in these matters in the hands of a special agency attached to the Prime Minister, and also in certain questions relating to the organization of the offices.

The scope of the activity of the Ministers subordinate to the control of the Prime Minister comprises also the execution by the authorities of the judgments of the Supreme Administrative Court. In the questions referred to above, the Prime Minister is the person called upon to provide that the organs of the State shall conform to the state of affairs created by the jurisprudence of the administrative tribunals.

The régime of the Polish State based upon the Constitution of 1935 does not recognize any rights of the Prime Minister in respect of administration. The fundamental law of the State so far in force took up an anomalous attitude. The Constitution of 1935 even enunciates the principle that the Ministers shall direct the individual departments of the State administration, which, however, includes both the governmental administration and territorial and economic autonomy. Hierarchical subordination of the administrative organs exists between the central authorities (Ministries) and the local offices; but the local administrative hierarchy is not in direct dependence upon the Prime Minister.

From 1934 the Prime Minister has been watching for improvements to be introduced in the administration and in the finances of the self-governing bodies. This activity is expressed primarily by the attachment to the Council of Ministers (Cabinet) of a Central Committee of Economy and Reductions, the President of which Committee, and his deputies, are designated (nominated) by the Prime Minister.

Therefore, under the Polish Constitution of 1935, a shifting of power has been effected in favor of the executive in two ways: on the one hand, by the increase of the power of the President of the

Republic, and of the Prime Minister; on the other hand, by raising the status of Prime Minister from *primus inter pares* to that of the superior of the Ministers.

From what has been said so far we see that the political development itself has made necessary an elevation of the position of the Head of the Government in his dealings alike with Parliament (the legislature) and with the Members of the Government. This is necessary for the solution of the political functions devolving upon him. Development everywhere is in this direction. It has not occurred everywhere yet, but there is not a sign anywhere of a retrogressive movement. And we may observe an analogous tendency arising in many countries.

§ 26. ADMINISTRATIVE FUNCTION OF GOVERNMENT

The other function of Government is the direction of the administrative system of the State. This usually takes the form of the several Ministers being at the head of their respective Ministries, and of all the administrative organs dependent upon those Ministries. In the past, however, the Head of the Government himself had barely any administrative function at all; that is, he had no administrative organs directly subordinated to him or of which he was the personal head, unless he happened to be at the same time in charge of one of the line Ministries. Of the two functions of Government the political one was always regarded as the more important; and the Prime Minister devoted his energy primarily, or indeed exclusively, to that function.

However, the profound transformation and enormous increase in the activities of the State and public administration have considerably affected the status and sphere of authority of Government in administrative respects. The extension of the executive power to the disadvantage of all other State powers, is a consequence of the technical development. The fact that in public administration the employment of a professional bureaucracy has become indispensable is a proof that the dominant factor in public administration is no longer politics, but technical qualifications. Public administration has devel-

oped so decidedly in this direction that even the Anglo-Saxon States, which for reasons of principle have always been unwilling to recognize the value of a professional bureaucracy, have been compelled to adopt that system. It is impossible that the tendency should not affect the heads of the administrative machine, the ministers and the Government, in whose activity the importance of their administrative functions has increased to an extent that political objectives depend upon the technical possibilities of execution for their attainment. This significance of the technique of public administration has resulted in the Head of the Government being compelled to control the whole public administration organization if he would carry into effect his political aims, that control extending, not only to the State administration, but also to the local government and economic administration, which are interdependent and jointly constitute the national public administration. It has become necessary that, in addition to his political function, the Head of the Government should assume administrative powers also; for the vast concern known as public administration, the overgrown structure, needs personal direction and an intellectual center. These are functions not to be intrusted to anyone but the Head of the Government with a comprehensive grasp of the whole public administration who sees that administration as an organic entity, which cannot be referred to the sphere of authority of any "line" minister. It is evident that the Prime Minister is unable to perform this function alone, without aid. The problem may be solved by the employment of suitable auxiliary agencies. This is an aspect of the question which as a consequence of its technical character possesses the greatest expansive force. And it is this very circumstance that makes this question a suitable subject for discussion.

The theoretical conclusions drawn by us in respect to scientific management and the management of big concerns,³² are *mutatis mutandis* applicable to public administration too. Public administration cannot refuse to acknowledge their importance. Many of the operations of public administration have recently become distinctly technical or economic in character similar to those performed

³² V, Part I.

by private enterprises. Consequently, economic solutions may be extended to these fields also. However, the specific problems arising from the expansion of public administration have already been made the subjects of valuable scientific research.

§ 27. THE "GENERAL ADMINISTRATION" THEORY

FAYOL

At the Second International Congress of the Administrative Sciences held in Brussels in 1923—*Henri Fayol* delivered the effective address entitled "*The Administrative Doctrine in the State*" in which he applied his researches relating to administration generally to the public administration of the State.⁸³ This is of peculiar interest to us to-day. In order that what I have to say may be intelligible I must refer my readers to the passage in a previous section dealing with his theory.⁸⁴

The starting-point of Fayol's arguments was that the organization of the Government as the Head of Public Administration is roughly the same in every modern State. With possible deviations in title, we find everywhere a Prime Minister, Ministers and Directors. Fayol then explained, also, in theory, what must be the character of organization and its activity.

He ascertained that in a big concern such as the State the rôle of the leaders (chiefs) is also predominantly administrative. Here, too, the administrative function consists in preparing the way for action—that is foresight and organization; in directing execution—that briefly is the giving of orders and the securing of harmony (coördination); and in ascertaining results; that is control.

Fayol then continues: "The Prime Minister exercises his authority over the whole governmental undertaking. It is his business to direct this undertaking towards its end, endeavoring to make the best

⁸³ Deuxième Congrès International des Sciences Administratives de Bruxelles, 1923, Comptes Rendus des Séances du Congrès (Bruxelles), Goemaire, Editeur, 1923, pp. 13 ff.

⁸⁴ V. *supra*, Chap. VI.

possible uses of the resources at its disposal. It is his business to assure the activity of all the essential functions. He is chief of the ministers. Each of the ministers is charged with the work of assuring the functioning of a group of public services. He is chief of the directors of his group. Each of the directors has to assure the activity of one of the services. He is chief of all the agencies of that service.

"We shall suppose also that directors, ministers, and Prime Minister are all able to cope effectively with their missions.

"Will that alone suffice to assure a perfect operation of the services?

"I have no hesitation in answering *No!*"

Of course not; for all these directors need an administrative "*outillage*" (stock of tools), of a detailed program and collection of data for their own use; while the chiefs, whatever their abilities and capacities for work, cannot dispense with reliance upon a group of a few men possessing the ability, technical knowledge and time not at the command of the chiefs. "That is a help, a reinforcement, a kind of extension of the personality of the chief calculated to facilitate the execution of all the obligations devolving upon him.

"The General Staff of the Prime Minister, of each Minister and each Directorate comprises a Secretariat, a few Special Councils and a few Controllers.

"In addition the Prime Minister has at his disposal a Board of Improvements or of Reform."

So much for the theory. In his address Fayol set over against this theory, the facts. He investigated the manner in which the Government as Head of the Administration is organized and functions in practice in his own country, France, and added that the results determined by him may doubtless be applied with but little change to most parliamentary Governments.

The French Premier is usually a very eminent personality of great authority; but the Prime Ministry is not organized in a manner enabling him to undertake the supreme direction of the State Administration which is one of the most important functions of the Head of the Government and cannot be performed by any other

person. "The Prime Minister has neither a secretariat nor organ of control nor councils of specialists or improvement." Nevertheless, although unable to discharge properly this chief function, the French Premier usually undertakes another portfolio too. Moreover, the number of ministries is so large that the Premier is quite incapable of directing them. According to Fayol, no minister nor other chief of high rank should have more than 5-6 immediate subordinates.

In order to obtain efficiency of administration in the several ministries, each minister should be informed in public administration.

"As a matter of fact, a Minister is rarely a good administrator, as a rule never having learned to plan, organize, command, coordinate, and control. Very rarely has he been trained in the affairs under his charge.

"Overrun and submerged, incapable of taking his decisions wittingly, the Minister usually abandons the idea of exercising a dominant influence; and it is impossible to say which is more to be dreaded, this active intervention or his inaction. The ordinary course of business is assured—for better or for worse—by the Directors who act independently of one another, without co-ordination, just as the Ministers do among themselves. It is the era of water-tight compartments.

"The Directors must possess the same qualifications as the heads of big private enterprises, administrative ability, expert knowledge and stability. These qualifications are sometimes to be found in Directors, though in France there are cases in which they are entirely lacking." According to Fayol, a Director cannot be regarded as permanent until he has been allowed to keep his sphere of authority for at least 10 years.

The importance attached by Fayol to public administration being under the direction of efficient heads, is shown by the following sentence: "Even though the subordinate personnel is excellent, the undertaking will not function well if the chief is a man of mediocre qualities. It will be like a man all of whose limbs and members are well constituted but his brain is diseased."³⁵

³⁵ Cf. *Operating Efficiency*, §22.

Fayol attaches particular importance to making continuous provision for the improvement of the public administration.

"The Administrative Doctrine supposes the presence in all big undertakings of a permanent Council of Improvement charged with the duty of discovering improvements of which the undertaking is capable and pursuing their realization under the aegis and authority of the Supreme Chief.

"An organism of this kind seems to me indispensable to enable us to study and realize the reforms of which the governmental undertaking is perhaps more in need than any other.

"In order to overcome the resistance offered to reforms by ignorance, routine, and particular interests, what is needed is a strong will and continuous action. Momentary manifestations in which the superior authority plays but a poor part, cannot produce serious results.

"Continuous action demands a permanent special organism."

These conclusions hold good to-day too, and, in part, include observations to which we shall have to return.

Fayol regards the Prime Minister and the Ministers as the chiefs of public administration and demands that they shall possess the technical qualifications of chiefs—what he calls "*function administrative*" (administrative function), a function divided by him into the elements of planning, organization, command, coördination and control. This conception is in perfect agreement with what was said in connection with the question of scientific management.³⁶ Scientific management made its appearance in post-industrial economy in the era of big capitalism as a necessity; and its importance advanced in proportion to the advance in the size of the concern. As has already been shown, during the last hundred years there has been an enormous increase in the population, and in density of population, of the states accompanied, however, by an even stronger increase in the size of the public administration organization and in the number of its employees. The post-industrial State has also

³⁶ V. *supra*, Chap. VII.

undertaken large numbers of technical operations and has increased so enormously in dimensions that to-day it has become the largest enterprise. The direction of this gigantic concern is a special science in itself to which the older political principle that the direction of public matters is the privilege of the citizens and that the best way to secure public liberties is a constant rotation of citizens in the exercise of public affairs, is no longer applicable. Under the compelling pressure of conditions it has become more and more universally acknowledged that a professional, technically trained public service is required. It is due to this development that it is becoming more and more universally recognized that special demands have to be made in public administration on the chiefs and more particularly on the supreme chief of public administration, the Head of the Government.

WILLOUGHBY

The same problem has been made the subject of scientific investigation in America too, partly because in that country the system of a professional public service is being, or has been, introduced, and partly because the need for economy and efficiency is so general and so natural in the case of the industrial plants that the question is asked whether there is any obstacle to the same degree of economy and efficiency being attained in public administration. People are of the opinion that the advantages enjoyed in respect to efficient administration by the big manufacturing concerns are far less than is generally supposed; and also that there is no objective innate reason why public administration should not very nearly or even fully attain the level of efficiency shown by the administration of private undertakings.³⁷ To attain this result is indeed difficult owing to the dimensions and complexity of the problem; it is however necessary to make adequate efforts to find a solution.

When investigating the reasons for economy and efficiency being usually on a lower level in public administration than in private undertakings, Willoughby, like Fayol, finds that the responsibility for the degree of economy and efficiency rests mostly with the

³⁷ See Willoughby, W. F., *op. cit.*, p. 6.

chiefs. The results shown by Fayol and Hoover with the aid of percentage calculations apply also to the public service.³⁸ There is no reason why they should not apply.

If we would determine the essence and the specific purpose of the function of chief, we must first agree as to terminology, since the terminology used in America differs to a certain extent from that used by European science. By "administration" the technical literature of Europe in general means the activity of the executive power. It is usual to differentiate between the operations included under "administration" (e.g., police service, education, communications, etc.) either according to the content of the respective functions (e.g., preparative, executive, accounting, manipulative, etc.) or on the basis of a distinction between functions of authority and technical functions, the latter including medical, engineering, agricultural, pedagogical, etc.

Fayol, on the other hand, gives a narrower interpretation to "administrative operations." He divides the essential operations to be found in undertakings into the following six groups:

1. Technical operations (production, manufacture, transformation).
2. Commercial operations (purchase, sale, exchange).
3. Financial operations (administration of capital).
4. Operations of security (protections of goods and persons).
5. Accounting operations (inventory, balance-sheet, prime cost, statistics, etc.).

while he regards as "administrative operations" proper only

6. Foresight, organizations, command, coördination, control.³⁹

With Fayol, therefore, the term "administration" is restricted to those functions which are peculiarly the functions of a chief.

American literature on the subject considers that in the organization and direction of an enterprise a differentiation must be made between the two functions of *direction, supervision, and control* on

³⁸ V. *supra*, Chaps. V and VI.

³⁹ See Fayol, "Administration Industrielle et Générale" (Paris, Dunod, Editeur, 1920), p. 7.

the one hand and *execution* on the other. The first means taking a decision as to the work to be performed and the means to be employed for that purpose, giving the necessary directions for its performance, and then exercising supervision and control over those persons to whom the work has been entrusted, to ascertain and insure that the work is being done efficiently. The second term, "execution," means simply putting into effect the instructions received. It is regarded as of fundamental importance that the two functions shall be carefully differentiated in all large undertakings and concerns and particularly in public administration, which is one of the biggest enterprises. For this reason the performance of the two types of functions is usually intrusted to different organs. Of these two functions it is the first group (direction, supervision, control) that Willoughby calls *General administration*.⁴⁰ This writer regards as part of administration, in addition to what he calls general administration, also the following functions: 2. *organization*, meaning thereby the determination of the structure required for the performance of any works; this organization or structure becomes more and more complicated with the increase in the number of functions to be performed and is most complicated in the case of the State; 3. *personnel* composing the organization and the conditions governing its activity; 4. the *material goods* required by the organization (supplies, fixed equipment, and other goods for use); and finally 5. *finances*—in order to provide for the personnel and material needs of the organization and the requirements of execution and in order to ascertain respectively the source of these funds and how they are to be distributed. It is evident, however, that the organization marked 2. above cannot be separated from the functions marked 3, 4, and 5, so that all the functions enumerated under Nos. 2-5 may be combined and included under the term "organization."

So what Fayol calls "administration" and Willoughby calls "general administration," if we add organization, are identical terms. Both terms alike denote a function which supposes other functions

⁴⁰ See Willoughby, *op. cit.*, p. 9.

which are therefore primary functions, without which the function of administration is neither possible nor necessary. This latter function may be called execution; but a far more suitable way of differentiating and separating the two groups is that explained by Willoughby⁴¹ in the following terms:

"When we examine the operation of the organs of administration we find that the activity of the State organs divides itself into two groups. We may call *primary* or *functional* the activity which is performed by an organ in order to realize the purpose for which it was established (e.g., the object of the police is the maintenance of order, that of a school teaching, that of a hospital medical treatment, etc.). *Institutional* activity, on the other hand, is that which the organ itself must perform in order to exist and to operate as an organ (to this category belong, for instance, the appointment of personnel, the arrangement of the work of an organization, such as the schools or police, and the provision of buildings, and material equipment, the payment of personnel, the conclusion of contracts for public supplies, disciplining of personnel, the replacement of persons on sick leave, the filling of vacancies, the utilization of available appropriations, the keeping of financial records, the drafting of reports, etc. The primary or functional activity of the administrator is therefore an end in itself and is represented by the performance of some task, while the institutional activity is only a means to the end of the primary activity.

These two classes of activity differ not only in respect to their aims, but also in their fundamental character. Functional activity is special and technical and varies according to the branch of service. Institutional activity, on the other hand, is similar or indeed identical in all branches of administration alike. That is why it is desirable from the point of view of the efficiency of administration that the performance of these institutional activities, which may arise in every branch of administration (or, to use a more practical example, in every ministry), shall be uniform in character. It is not a matter of indifference whether the level of work be high or low, but it is

⁴¹ *Op. cit.*, pp. 45 and 105.

necessary always to find *the one best way*. In this field, uniformity is necessary not only to promote economy and efficiency, but also that the performances of the various units may be comparable and ratable. That is why peculiar importance attaches, for instance, to the accounting work (bookkeeping), to personnel rating, and to the reports on work performed.

Since the primary activity is an end in itself, it can by its own performance produce an immediate result. (For example, the police shows the maintenance of public safety and public order; schools show the results of teaching; a hospital, the restoration of health; the ministry of transport, the building of networks of roads; the minister of national defense, the equipment of the Army; etc.) Supposing that expenditure is economical, the volume of the result depends upon the amount utilizable. The larger the appropriation included in the budget, the greater the number of schools that can be built; consequently, the increase of expenditure and the augmentation of the appropriation cannot be objected to from the point of view of economy if the increase in expenditure is accompanied by an increase in performance. In the case of institutional activity, however, it is not so desirable that all possible efforts should be made in order that these operations should cost as little as possible. The costs of the State machinery and of the maintenance of the authorities come under this head; these are the items of expenditure which the taxpayers are in the habit of regarding as exorbitant. These are the expenses in respect to which, during the post-War periods of economic crisis, the public administration has had to justify itself, finding great difficulty in doing so. The differentiation of every other form of activity from institutional activity is of paramount importance in respect to the efficient direction of public affairs. For the problem of efficiency in public administration is connected primarily with institutional activity. It is certain that unless institutional activity is properly and satisfactorily assured, a condition for the achievement of success in the field of functional activity is lacking; while on the other hand, if the solution is an adequate one, the foundations are laid of success in the field of technical and special operations.

Thus, the sphere of institutional activity is what we call administration in the strict sense of the term. As a consequence this differentiation within the limits of the term administration is also of fundamental importance to the public administration of the Continent, too."

§ 28. THE BUREAU OF GENERAL ADMINISTRATION: ITS SPHERE OF ACTIVITY

From this distinction between functional and institutional activity, it follows that their performance must be entrusted to separate units of organization—for the following reasons: 1. because it is desirable that those public servants whose work it is to perform some kind of functional activity (e.g. medical treatment, teaching, engineering operations, planning, building, etc.) should be relieved as far as possible from the performance of other operations; while it often happens that a certain individual who in his own department is eminent (e.g. a good pedagogue) is less fitted for the work of administration, or of direction, i.e., for the function of director. 2. In the second place, it is even more important to remember that institutional activity itself requires special qualities and a high standard of technical ability, if the performer desires to be qualified for his duties. That is why only such persons should be put into these positions (general manager, minister, prime minister,) as have acquired technical ability and experience in institutional activity or have become experts in this field. The agency whose responsibility it is to perform the institutional functions, the Americans call *Bureau of General Administration*. No head of any single large administrative unit is able to undertake its direction unaided. For that purpose, an auxiliary agency is necessary. The work would be too much for the chief even if he had no other function. Ministers, and even more the Prime Minister (Chief Executive), have many political and other obligations absorbing their time. An even more significant argument in favor of the establishment of an agency of this kind is in force in parliamentary States, where the selection of

ministers and of the Prime Minister does not depend upon their technical knowledge and administrative experience, but upon considerations of a quite different nature; and where the head himself usually does not possess the special technical knowledge needed in institutional activity. As Fayol said: "Whatever their capacities and energy, the chiefs must be able to rely upon a group of a few men possessing the ability, technical knowledge and time not the disposal of the chief." This group is the *General Staff* for the performance of the work of *General Administration*.

What should be the legal status of this Bureau of General Administration? It must be immediately attached to the chief of the entire organization; for it is intended to facilitate his function as chief. Its activity differs both in conception and in substance from that of the agencies engaged in functional activity, and for that reason must be made independent of them. Since its task is to assist and serve the chief, the Bureau must not have independent powers of its own. Its sphere of authority must be that of the chief's, and it must act in his name and in the sphere of activity entrusted to it by him. Its duties being institutional, it must not perform functional activities. In other words, its activity must not extend beyond the administrative system. It is a means of liaison between the head of the public administration and the other agencies of administration and performs an activity within the limits of public administration; but it has no functions in relation to persons outside public administration, which is the province of the operating services (line agencies).⁴² The bureau itself is not entitled to give orders. It ascertains facts which the chief desires to know. It provides technical advice to the chief in the exercise of his function. It coöperates in the drafting and issuing of orders and controls the execution of those orders. It also controls the activity of the other administrative agencies, that is the functional agencies. It makes proposals for the improvement of the organization and its functional activity. It watches the economy and efficiency of the activity of the organization.

⁴² See Willoughby, *op. cit.*, p. 56.

The sphere of authority of the Bureau of General Administration, like its legal status, is the consequence of its purpose; that is, the duty of the Bureau is to aid the chief to function as perfectly as possible. The function of the head, chief in substance, is what Fayol and Willoughby meant by *Administration* in the narrower sense of the word. What they meant is shown below in detail:

1. What Fayol calls "*foresight*" means primarily a clear vision of one's own aims. It means a program, a plan, not only for the period immediately following, but for a longer period (e.g., for 5 years), the elaboration of that scheme both in its details and as a whole. It means what is called "*planning*"; the complete plan for the improvement or development of a town, for the electrification of a whole country, for the exploitation of its sources of energy, or the unification of a boundless task connected with the life of a nation for a definite period, such as the Five-years' economic program of the Soviet Union. This "*foresight*," this planning, denotes also initiation in determining the functions of the respective administrative units. The work of planning includes the drafting of estimates. In order to plan we must "think in terms of cost." In order to enhance the systematic character of planning, a program must be determined and worked out in detail also for the subordinate organs. That makes it necessary for the program to be made public in advance, the publication in its turn serving as a basis of control. In the case of complex operations and powers, the drafting of the program naturally requires an exact knowledge of the units and their logical distribution, demanding first analysis and then synthesis.

2. *Organization*. In order to realize the objectives set by planning, provision must be made for the necessary personnel and material and for their integration in a structure which permits the most economical and most efficient performance of the task. This means determining the distribution of work among various persons, and defining their spheres of authority. The coördination of spheres of authority, the integration of work, the wise selection, training and provision of personnel, and the determination of conditions of labor aid in assuring the greatest possible performance. Organ-

ization means the selection of chiefs, the entrusting to them of spheres of authority, the strengthening and enforcement of the extent of their responsibility. It means also carrying out the budget, and providing for the needs of the organization. It means rendering available the material means of organization, the acquisition of sites and buildings, a deliberate selection, in a manner adapted to the object in view, of equipment and furniture made according to the best technical designs, the development and constant improvement of the bookkeeping and inventory systems, keeping pace with the advance of science, the further training of personnel, the rejection of worn-out articles of equipment and the replacement of out-of-date equipment, and the utilization of the latest achievements of technical progress. In other words, this term means the realization of everything necessary for *operating efficiency*.

3. *The giving of orders*, which Fayol refers to under the term "commander," means putting into motion all the organs regarded as essential by foresight and realized by organization. It means the direction of the activity of the organization. Every order, the work of direction, gives expression to the decision taken by the head. For making decisions and giving proper orders, judgment is required. The orders given in public administration may be meant for the members of the organization, the public servants, or for the citizens outside that organization. The commanding may be effected either in general terms on the basis of legal rules or as a measure relating to a given concrete case or by decision. Consequently, the drafting of legal rules also forms part of the work of giving orders, as do the measures to insure the possibility of finding one's way among the legal rules—i.e. the adjustment of the legal rules in force. It means the issuance of unified codes. Another element included in the work of giving orders is the correction of any fault that may have been made, the withdrawal of the erroneous order. The giving of orders is the best way of showing the development of the human relations between the chief and his subordinates. This is one of the most delicate points in respect to the manifestation

of the superiority of the head and the interpretation of that superiority by his subordinates.

4. What Fayol calls "*coördination*" is an important complement of commanding. It means the execution of orders and the adjustment of the relations between coöperating persons and things. It means an ability to meet changing conditions, the elimination of disturbances in the functioning of the machine, the necessary transfer of persons, the remedying of any deficiencies in respect to planning, the determination of priorities in respect to decisions and actions. This means in other words a constant, close contact between the chief and all the activity of the organization and the personnel. It means a constant, conscious enforcement of his responsibility; and it means also that direction does not consist only in the giving of orders nor does it end there. It involves a wider horizon on the part of the chief due, not only to his occupying a higher position, but also to his greater experience and the superiority of his knowledge. "No one should give orders to his subordinates who does not himself know more about the work in question." (Hitler, "*Mein Kampf*," p. 669.)

5. *Control* means judgment of results. Here too the first thing required is to determine the facts—to determine the achievements and then to compare them to the orders given and the program adopted. This control may be in force, not only at the end of a given period, but at any time during the progress of the work. It may determine whether everything is being done in time to insure the performance being completed within the period set. Control may investigate the activity of the organization from several points of view. 1, Public administration is under control from the political point of view (parliament), 2, from a legal point of view (Administrative Tribunal, Conseil d'État, ordinary courts of law), 3, and from the point of view of its observance of the Budget (Public Audit Department); but 4, control from the point of view of efficiency is either not organized at all or where it is organized it is usually very deficient. In America private undertakings have *efficiency engineers*. For the control of banking companies in many countries, there are

sworn (chartered) accountants. But it is not in the power of the Chief Executive to determine what is happening in the various ministries and their deconcentrated agencies, or whether those agencies are putting into effect the decisions of the Chief Executive or of the Cabinet Council, or whether in a case requiring protracted execution, the first measures are taken in time to enable the result to be attained by the time appointed. A means of determining and comparatively rating the various methods of institutional activity in use in the various branches of public administration has not yet been developed. This indispensable tool for improvement is still lacking. The work of control, of determining results, is rendered exceptionally difficult also by the fact that the determination and publication in advance of a program for the purpose of making it possible to compare the results with that program is a very rare thing and is in evidence only in very few fields. Governments are in the habit of submitting to Parliament reports of their activity at the end of the year; but, since there was no program given at the beginning of the year, it is impossible to test the results by comparison. Governments do not give the DECENTRALIZED State organs annual tasks or require from them any account of such tasks; nor do they teach the local government organs—e.g., the towns—to adopt such a procedure. The work of control demands the drafting of exact statistical data and reports, not only concerning the various events of the social and economic life of the country (movements of population, production, foreign trade, etc.), but also of the activity of the organs, and indeed of the individual employees of public administration in a manner rendering possible an appreciation of that activity and a comparison between the respective activities of persons belonging to the same category. The work of control is not an end in itself; and it must not be allowed to act as an obstacle to the activity of the organization; nor must it be allowed to achieve a result which is not the equivalent of the work and expense connected therewith. Control must, on the other hand, be complete and extend to all essential considerations, in order that it may enhance foresight, simplify and strengthen personnel man-

agement, increase the effectiveness of command and facilitate harmony (coördination).

Taking this as our basis, we may draft the scheme of General Administration in the following manner on the suggestions made by Fayol and Willoughby:

GENERAL ADMINISTRATION

1. Planning (Initiative; Foresight)
2. Organization
 - a. Structure (Operating Efficiency)
 - b. Personnel (Personnel Management)
 - c. Materials (Including Buildings)
 - d. Finance (Budget)
3. Giving of Orders (Direction)
4. Coördination
5. Control
 - a. Establishment of Facts (including Statistics)
 - b. Control and Criticism
 - aa. From the political point of view (Parliament)
 - bb. From the legal Standpoint (Administrative Tribunal)
 - cc. From the Point of View of Economy (Public Audit Department, etc.)
 - dd. From the Point of View of Efficiency.⁴³

The Chief Executive has to keep a constant eye on all the elements of General Administration enumerated above. This he cannot do unaided, as an individual organ, since to utilize all the forces of the nation, he must be able to survey them all. Neither the work of planning nor that of coördination can be done efficiently by a collective agency. The defect of the Cabinet system in this respect

⁴³ *The Committee Report* issued under the title of "Training for Municipal Administration" (Chicago, 1936, p. 20) by the *International City Managers' Association* contained also "An Analysis of Administrative Work" which includes the following elements: 1. Analysis and Synthesis. 2. Judgment and Decision. 3. Ability to Determine Priorities. 4. Initiative. 5. Organizational Leadership. 6. Skill in Handling Public Relations. 7. Technical Knowledge. 8. Professional Attitude. I believe that this enumeration may easily be made compatible with that given above.

is that there is need of harmony between the Members of the Cabinet, which cannot be attained by a majority of votes or by taking into consideration the various interests of the parties forming the coalition Cabinet. The Chief Executive is not only the head of the central bureaucracy, but also the head of the national executive power. That is why general administration must extend also to the activity of the local government and corporative forms of organization, which together with the State administrative organs constitute the national executive power.

For the Chief Executive and the Government respectively the handle enabling the same to control the administrative apparatus is therefore the institutional activity, which also makes it possible for the Chief Executive (Government) to impose on that apparatus his (their) own will and his (their) own demands or requirements. And the Administrative General Staff (Bureau of General Administration) is the agency which has to be organized for this purpose and provided with the necessary technical ability.

There are cases in which special organs possessing technical qualifications are created for the purpose of performing certain operations of General Administration. Organs of this kind have been established for dealing with personnel or budgetary questions—such organs being called *staff agencies* in America, as contrasted with the organs engaged in functional operations, which are called *Line Agencies*. The Staff Agencies are, however, immediately subordinate either to the Bureau of General Administration or to the Chief Executive himself.

The branches of public administration which are very extensive and possess a large staff, may have separate Staff Agencies of their own. (E.g. Economic General Staff.) The branch of administration, (the service) which in all countries alike has for the longest period been provided with such Staff Agencies, is the Army, in which the General Staff is expressly an agency of General Administration of this kind. The experiences in this field may be used to the advantage of our subject; however, since political literature has so far rarely troubled to deal with this subject, and the service of the General

Staff is but little known, we must deal in detail with the matter in the following section.⁴⁴

§ 29. THE MILITARY GENERAL STAFF

A General Staff in the modern sense of the term is not needed except in the case of popular armies of considerable strength. The institution of the General Staff developed in the nineteenth century. The establishment of standing armies became general as a result of the Thirty Years' War (1618-48). The first popular army was, however, created by the French Revolution under the imperative pressure of circumstances. The Revolution had disbanded the royal army, which it regarded as unreliable for its purposes, when the whole of Europe turned against the ideas which it preached. For the purpose of creating a new, reliable, revolutionary army, the Revolutionary Government in 1793 introduced general conscription for all men between the ages of 18 and 40. From the recruits thus obtained, it formed the first modern popular army, though only for the period of war. This popular army proved very efficient. With this army *Napoleon* won his victories, though he abated the obligation of military service by reducing the age of conscription and granting many exemptions from military service.

In Prussia, in 1807, military conscription was extended to times of peace also. It led to the transformation of the Prussian standing army into a popular army based on the "cadre" system. The work of organization was under the direction of General *Scharnhorst*, who integrated the army into the frame of State institutions as a popular educational institution and as the peace-time skeleton of the military forces of the State. This relation resulted in the military administration adjusting itself to the State machinery, developing on a large scale the General Staff and the training of the members of the General Staff by technical courses. The General Staff was

⁴⁴For the material dealt with in this section, see the following work: *Julier, Ferenc*: "A vezérkarok szervezete és működése" (The organization and activity of General Staffs), pub. by the Hungarian Institute of Administrative Sciences, Budapest, 1932, p. 28.

placed at the head of the military administrative organization as the body called upon to give the popular forces a military training, in time of peace, and to utilize those forces under arms, in time of war. It was during the war against Napoleon in 1813-1815 that the decisive and deciding activity of the General Staff became evident in the Prussian army, when the complementary activity of the commander (Field-Marshal *Blücher*, and the Chief of the General Staff [*Scharnhorst*], and after he was wounded General *Gneisenau*), resulted in a succession of triumphs.

In France the monarchy that followed the reign of Napoleon returned to the older royal army. No General Staff in the Prussian sense was trained, for not even Napoleon employed a scientifically trained General Staff. He, too, had a General Staff, but he had no need of any separate body to give him advice or to organize or make proposals. Napoleon was himself his own Chief of Staff. His gigantic capacity for work made up for everything; all he wanted was executive agents to whom he dictated his orders or who put into writing his oral instructions. In any case, there were so many wars in the age of Napoleon, that there was ample opportunity for the practical training of good general staff officers.

In 1858, the Chief of the Prussian General Staff was General *Hellmuth Moltke*, who still further perfected the Prussian General Staff, already an excellent one, and assured better utilization of the Prussian popular forces.

The outlines of Moltke's general staff organization have perhaps been best described by the French Colonel, Baron *Stoffel*, who was French Military Attaché in Berlin between 1866 and 1870, and directed the attention of the French Minister of War to the new General Staff system introduced by Moltke. Among the factors responsible for the superiority of the Prussian Army, he attached the greatest importance to the Prussian General Staff. "I must stress the fact," he wrote, "the undeniable truth, that the Prussian General Staff is the first in Europe; ours cannot be compared to it. I did not fail to point that fact out in the first reports submitted by me in 1866 or to express the opinion that it is imperatively necessary that

we should find means to effect a similar improvement in the standard of our General Staff."

"As for the details of the training, picked young officers of the army after severe tests are admitted to the military academy under the direction of Moltke, where they complete a three years' practical and theoretical course. The subjects taught are: tactics, military history, strategy, military architecture, general staff regulations, military geography, military administration, mathematics, geometry, cartography, general history, literary history, philosophy, chemistry, physics, French, English, and Russian. After passing the course, the officers are subjected to practical tests by service with troops of a branch differing from their own (infantry officers with the artillery or cavalry, and vice-versa). The best of the officers are selected then to enter the General Staff, where they have to pass a certain period of service, and then after further selection, the very best are attached to high commands (divisions or corps), where they become the heads of the military administration and are given the direction of preparations for war. In these posts they are regarded as Moltke's representatives and act as advisers in chief to the commanders of high rank to whom they have been attached and as agents required to make reports, at the same time directing operations there according to a uniform policy determined by Moltke.

"The Prussian General Staff, therefore, by means of the best officers insures in the army a uniformity of military policy which serves to unify the employment of the Prussian military forces and obtains for the Chief of the General Staff an extensive influence in the military training of the army and in the work of preparing for war."

The "cadre" system of the Prussian army and the General Staff organization introduced by Moltke were taken as models by all the Great Powers of the European Continent.

Prior to the year 1914, all General Staffs had prepared for war in the same way as Moltke had prepared in 1870; and the structure of the General Staffs was everywhere practically the same as that of Prussia. In the Great War popular armies organized by up-to-date General Staffs were to be found fighting on either side.

§ 30. PRESENT-DAY ACTIVITY AND ORGANIZATION OF THE GENERAL STAFF

a. In times of peace, the task of the General Staff is to develop the military power and sources of energy of the State and to take the broad initiative necessary for a uniform organization of the national forces in view of their use in times of war; a work to which the general staff lends its technical coöperation.

Consequently, the General Staff initiates proposals:

1. For the organization for national defense purposes of the human and economic forces of the State.
2. For the constant increase of the degree of preparedness for war.
3. In respect to the extent and quality of armaments.

The General Staff directs the training of the armed forces already organized; dictates the fundamental principles for the mobilization of the industrial and agrarian forces and of the labor of the hinterland; initiates and controls the elaboration of the various regulations and instructions; drafts plans of action and on that basis prepares the way for the march of the armed forces into the territories in which it is proposed to fight; provides for the fortification of the country's frontiers; influences the building of the country's network of communications and lines of communication as demanded by considerations of national defense; exercises a similar influence upon the development of the means of communication; keeps a record of the military forces and preparations of foreign States; provides for the technical training and instruction of the General Staff; thus taking every measure to provide that in the event of a conflict the full strength of the State shall be available in the most expedient manner for the purpose of securing the political objects in view.

The organization of the General Staff is a natural consequence of the division of labor outlined above.

Everywhere alike the central authority of the General Staff is the *Army Headquarters*. There are staff officers also at other execu-

tive centers—the high commands (army, corps, division and in some cases brigade commands).

In addition, staff officers are on duty as teachers in the military schools, where the younger military generations receive their training in the most important technical subjects under the direction of men acting in the spirit of the fundamental principles of the General Staff.

Finally, staff officers are attached as military attachés to legations abroad, where they study the organization of foreign armies.

The distribution of the staff officers in the various branches of their service makes the activity of the General Staff comprehensive and concatenated and gives that Staff a practical knowledge of every grade of military administration, the enormous advantages of which need not be further commented upon.

This many-sided activity of the General Staff acquainted with every branch of the national defense service and trained on the basis of uniform principles guarantees the absence of any divergent considerations in the elaboration of national defenses' questions and thereby the execution of perfect work.

The distribution of members of the General Staff among the branches of service referred to above is effected on the basis of the following principles:

a. Since there is no advantage in specializing by branches in the training and further instruction of the General Staff, which is uniform in character, a General Staff officer must be qualified to fill any post in the service; nevertheless, the decisive motive in allotting staff officers to a branch of the service shall be that peculiar preference for any of the technical branches which may appear during the later term of training.

b. In order to prevent staff officers becoming one-sided, they are attached alternately to the several branches of service which the regulations prescribe for them. Staff officers work for various periods of time in the various branches.

Changes in spheres of work are regulated so that staff officers from the rank of captain to that of colonel spend roughly one-third

of their time in field posts, and the other two-thirds with the General Staff headquarters.

§ 31. STATUS OF THE GENERAL STAFF IN THE SERVICE

From what has been said above respecting the sphere of activity of the General Staff, it will be regarded as only natural that *the Chief of the General Staff should be the best general in the army.*

Since it is this general who sharpens the sword which the strength of the army represents, it is perfectly natural that in the event of war that sword should be wielded by his arm. For that reason, in the event of war, the Chief of the General Staff is usually the Commander-in-Chief, or where for political reasons or for considerations of authority the post of commander-in-chief is filled by the Head of the State, the Chief of the General Staff is his chief collaborator and his deputy.

Certain offices of the General Staff taken together form the Army Headquarters in case of war.

The General Staff officers are attached to the branches of service enumerated above by the Chief of the General Staff. These officers are *doubly subordinate*. In respect to service, they are the subordinates of that superior commanding officer to whom they are attached. In respect to service at headquarters, in all matters affecting staff officers as members of the General Staff, and in respect to additional training in staff service, they remain the subordinates of the Chief of the Staff, who deals in these matters directly with the staff officers.

The senior staff officer attached to superior commanding officers is the chief of staff of the respective command being, therefore, chief of staff of an army, a corps or a division; he is chief collaborator of the superior officer and head of his service, to whom the whole personnel of the command is subordinate irrespective of branch service or rank of person. In the event of his absence, he may be represented only by a staff officer.

The close relation between the commander and chief of staff is expressed also in the fact that they share responsibility. In the Great

War, for instance, the chiefs of staffs shared the disgrace of their commanders in losing engagements where it was proved that they had not given their commanders good advice or had submitted unsuitable proposals.

It will be seen that in all States alike the network of the General Staff extends throughout the whole army, since it delegates well-trained and experienced members of the General Staff to be in attendance on the commanders or to occupy leading positions. It thereby insures the Chief of the General Staff an influence in all fields of military administration and guarantees that preparations for war, the ultimate object of all peace-time activity, are made on the basis of uniform principles. For that reason, it is inconceivable that in military administration there should not be a unanimity of opinion on any particular question.

§ 32. TRAINING OF THE GENERAL STAFF

The basis of efficiency of the General Staff is the *uniform* preliminary training of the staff officers followed by a *uniform* supplementary training.

a. For preparatory training in staff service, every military officer, irrespective of the branch of service to which he belongs, may apply, provided he conforms to certain preliminary conditions.

The most important of these conditions, apart from receiving a high rating, is that the candidate shall possess practical technical training in his own branch of service which he should have acquired in the course of 4 to 6 years service before he attained the age of 30. The candidate must pass a strict entrance examination in theoretical subjects, the result of which will show whether he possesses the intellectual qualities required for staff training and whether he is thoroughly intimate with his own branch of service.

Then candidates are admitted to the staff courses lasting from 2 to 3 years (military school, military academy) which provide them with training in the higher branches of military and civil service. Here the candidates have to prove that, apart from their intellectual qualifications, their character and physical capacity also are such as to enable them to cope with the demands made

upon staff officers. For a good staff officer is expected to be, not only a military *savant*, but above all a level-headed person of independence of thought with a settled character who is a worker of great capacity and well disciplined.

After successfully completing the courses, the younger generation of staff officers are attached for a few years to the general staffs of the various commands, in order to subject them to practical tests. If during this period, they prove satisfactory, they are admitted to the general staff headquarters and are appointed staff captains.

The previous service with some branch of the military organization, together with the theoretical training and the practical tests require so long a period that officers are on the average 32 to 33 years of age when they are attached to headquarters. Since under the regulations the number of staff officers serving with each army is limited, it is only natural that certain restrictions (*numerus clausus*) are in force in connection with admission to the course.

b. The General Staff is continuously receiving additional training, and its knowledge is constantly checked. The object of this procedure is to keep the General Staff in constant practice in its sphere of activity on a high level in keeping with its peace- and war-time tasks, to keep the General Staff acquainted technically with military innovations and with the development of civil technical sciences, to show the way for the General Staff to continue its scientific studies, to enable the Chief of the General Staff to familiarize himself with the particular preferences of staff officers for any of the various branches of military service and thus to obtain a basis for employing their abilities, and finally to enable individual staff officers to betray any eventual decline in their intellectual capacity.

This additional training is divided into theory and practice.

This organization best realizes the principle that the best men must be put in the leading positions. The difference as compared with most other organizations is that the General Staff does not content itself with merely stressing the principle, but takes the utmost care to provide for the selection and training of the best.

Each branch of the service helps to produce the General Staff,

since it sends its best officers to take the General Staff entrance examination. Every General Staff officer is, therefore, recruited from the officers of the field service and sooner or later goes back finally to the field service from which he started. As a consequence, the general staff service is only a transitional state and not a form of service of a permanent character. This circumstance prevents the possibility of the General Staff and the field services becoming alienated from one another.

The uniform training insures a unanimity of views between the General Staff officers, not only in big problems, but also in the most unimportant question of detail. This fact finds expression both in the actual and formal solution of tasks intrusted to them, and in the conciseness of the oral and written orders drafted by them and in the clearness of their reports.

General Staff officers are given separate instruction in the technique of command. By this term we mean putting into the form of orders the ideas of the commanders and the manner and degree in which the orders (measures, fundamental principles) may bind the hands of the person (or troop) in respect to their execution. The essential point in the technique of commanding is that the brief but clear orders shall comprise what has to be said and shall not contain either more nor less than is necessary to enable the troop responsible for executing the orders to perform the operation devolving upon it in conformity to the ideas of the superior commanding officer. Similarly, the General Staff officers are taught the technique of reports. These reports must above all be true and brief and must at the same time be drafted in the manner enabling the person receiving them to have the same conception of the matter as the author had when he made or wrote those reports. That is why it is essential that the General Staff should employ ordinary expressions completely exhausting the essential points of the matter dealt with and notifying the appropriate persons of its ideas in an unequivocal manner. This is all of decisive importance in war-time, when ambiguous orders or inaccurate reports may cause friction of incalculable effect and useless sacrifice of human life.

§ 33. THE "CABINET DU MINISTRE" (MINISTERS' SECRETARIATS)

Before inquiring as to what organs (agencies) are available in the various States at the present time for the purpose of assisting the Chief Executive or the Head of the Government and the Ministers respectively in the performance of their *administrative* functions, we must point out that in several States (France, Belgium) a special organization usually spoken of as the "Cabinet du Ministre" has been established to insure the performance of the *political* function of the Prime Minister and the Ministers. Concerning the organization of this agency and its operation, the Belgian National Report gives us the following information, which applies almost equally to the solution found in other States.

The *Cabinet du Ministre*—as we shall see—plays a rôle differing from that of the Administration properly so called. At its head we find a *Chef du Cabinet* (minister's Secretary).

This "Cabinet" is not included in the administrative hierarchy. It constitutes to some extent a prolongation—a radiation—of the personality of the Minister, as depositary of his ideas, initiated into his projects, transmitter of his instructions and executor of his decisions.

It is also composed of a temporary personnel possessing the confidence of the Minister which disappears in principle the moment the latter abandons his functions.

If the agents of the "Cabinet" continue to belong to several successive "Cabinets," that is in virtue of a particular decision on the part of each of the new Ministers.

The personnel is chosen freely by the Minister, both within and without the Administration, independently of age, titles, etc. . . .

Composition of the "Cabinet." The "Cabinet" has at its head a "Chef du Cabinet" (Private Secretary) appointed by royal ordinance and having the rank of head of the service. This rank gives him the prestige and the authority necessary to enable him to treat on equal terms with the heads of the services of the administration.

At times we find attached to the "Chef du Cabinet" deputy chief.

The other agents of the Cabinet consist of secretaries and of attachés, the number and the powers of whom are regulated by the appropriate Minister.

Powers of the Cabinet. In principle, the powers of the "Cabinet" refer exclusively to the personal service of the Minister and have nothing in common with the Administration properly so called.

The Cabinet du Ministre is not entitled to replace the qualified administration.

The Administration studies questions intrinsically from the technical and statutory point of view. In conformity with sound administrative practice, the Minister should to this extent repose complete confidence in his administration and leave to that administration full liberty to treat normally affairs coming within the province of its various services. When the matters have been examined by the proper administration and countersigned by the Secretary General they are in order. It is in this way that they reach the "Cabinet du Ministre."

The rôle of the latter is to discuss when necessary the proposals presented with the service responsible for drafting them, before submitting them to the decision of the Minister. This study is made from the point of view of the consequences of a personal or electoral character affecting the Minister which may result therefrom or of the political repercussions which they may have on the action of the Government.

This Cabinet also compares the administrative solution proposed with the desires and recommendations expressed to it *From Outside*.

So we see that the Cabinet undertakes the examination of affairs from a point of view differing from that of the administration: the political action belongs properly to its domain while it lies beyond the latter.

Practically and in effect, the rôle of the "Cabinet" thus defined has not always been respected.

There is evident at times, within the Departments, a tendency to expend the rôle of the Cabinet at the expense of administrative action. Since the Minister is the Head of the Department, he is

always entitled to direct the administrative work as he understands it.

It should be noted also that if political action belongs to the province of the "Cabinet du Ministre," the latter will without fail be compelled at times to undertake studies which are really technical in character. This happens, for instance, when the Minister has to reply to questions on matters of this nature and when the documentation possessed by his administration on the subject is insufficient. In addition, the "Cabinet" which is the Minister's collaborator, must supplement this documentation by the aid of researches and work done by its personnel.

§ 34. AUXILIARY AGENCIES OF THE CHIEF EXECUTIVE IN THE UNITED STATES

The consciousness of the necessity for an agency to assist the Chief Executive in his administrative functions is undoubtedly strongest in the United States.

The Office of Chief Executive, as Dr. Leonard D. White explains in his excellent work, "whether in the national, state, or large municipal governments, has gone through a striking evolution, especially during the last twenty-five years. This development turns principally on two considerations: 1. the mere increase in number of operations performed by administration for which the Chief Executive is responsible; 2. the shift in the office of the Chief Executive from a primarily political agency, as it was practically without exception until about 1900, to an authority which combines both political leadership and administrative responsibility. Broadly speaking, the developments of the last quarter century have tended to magnify the administrative duties of the office of Chief Executive," the other sphere of authority, the political one, having existed previously. "An exception must be noted, however, with reference to the offices of City Manager and County Manager, now found in about 450 American cities, large and small, and in about twenty counties. These are almost exclusively offices of administration and

are not concerned with political leadership. Faced with this shift in emphasis, with a growing demand for economy and retrenchment, and with the rapidly increasing amount of business to be transacted, the Chief Executive, national, state, and municipal, has been obliged to create auxiliary agencies." By an Act dated 1903, the United States of North America organized the General Staff of the Army. Large-scale industrial undertakings and establishments also had organisms similar to the military General Staff. However, in the civil administration the organization has not reached the standard of perfection shown by the General Staff of the Army; and "even today, despite substantial progress in the last fifteen years, a civil counterpart of the military general staff still remains to be worked out, although the elements have been largely brought into existence in the form of the auxiliary agencies of the present civil organization."

The problem of auxiliary agencies to the Chief Executive was first discussed comprehensively by the Commission on Economy and Efficiency appointed in 1911 by President William H. Taft, which in a series of reports issued in 1912 and 1913 offered many suggestions for the improvement of government business. Among these suggestions was a plan to replace the system then in force by which the Budget was prepared at discussions held incidentally at various periods of the year by Members of the Congress by the establishment of a Budget Agency to make the preparation of the Budget the duty of the Executive Power, as it was in the States of Europe. Another of the suggestions was that a Bureau of the Budget should be established for the drafting of the Budget—that Bureau being conceived of generally by the authors of the scheme as an auxiliary and coördinating agency attached to the Chief Executive. The realization of the scheme was postponed for years until at last the great increase of debt and expenditures made it imperative that it should be favorably considered. Since 1920 much has been done in that direction in the United States; but the development is not yet complete. Of the several auxiliary agencies attached to the President since the Great War not one has proved able to successfully assume the rôle of a Bureau of General Ad-

ministration. The American Report presented to the Warsaw Congress in 1936 summarizes "the main points in the development of the present transitional situation" as follows:—

The President's CABINET—consisting of the ten Secretaries of State who are Heads of the ten Departments (Ministries)—is within limits a coördinating agency. It must not be forgotten, however, that in America there are many independent establishments subordinated, not to the Ministries (Departments), but immediately to the President himself; while there are others not subject to the President's jurisdiction either. These independent establishments include:—the Inter-State Commerce Commission, the Federal Reserve Board, the Veterans' Administration and the New Deal Agencies (such as the Reconstruction Finance Corporation, etc.) to which the coördinating rôle of the CABINET does not extend. As a consequence, the CABINET cannot act as a general coördinating agency, its representation being too narrow; while in addition the traditional rôle of the CABINET has been to advise the President on matters of contemporary policy and politics rather than to deal with matters of administration. . . . Moreover, the CABINET has no secretariat, there being thus an absence of a continuing mechanism only partly supplied by the President's secretaries and aides. Again, owing to the Members thereof not representing the qualities of expertness and professional preparation for their respective posts, the CABINET is an agency peculiarly unfitted for staff purposes. Its Members are chosen because they enjoy the confidence of the President in large matters of policy or because they represent important groups in the country which the President is anxious to have represented in his immediate entourage. Their term of office being usually only a brief one, "in many matters of administration they act only with the aid of their professional assistants."

In 1913 a new step was taken by the creation within the Civil Service Commission of an Efficiency Division, which was shortly given independent status as the BUREAU OF EFFICIENCY; between the period of its inception and its final abandonment in 1933 it made repeated studies of operating efficiency in the several Departments. But it was never an auxiliary agency to the Chief Executive: "it

swung away from its natural orbit and sphere of influence into the orbit of the Senate." Having acquired the reputation of being intimately connected with a certain group of Senators, the Bureau failed to establish itself as a coördinating agency as between the several Departments. "Its work was conceived on a relatively narrow scale, dealing with minute matters of operating efficiency rather than with the major items of a badly organized administrative machine."

The whole problem of auxiliary and coördinating agencies was given a new impetus by the outbreak of the Great War. Shortly before the outbreak of hostilities there was established a COUNCIL OF NATIONAL DEFENCE including the Secretaries of War, Navy, Interior, Agriculture, Commerce and Labor and designed to coördinate industries and resources in the interests of national security and national welfare. This Council too failed to comply with its major task of coördinating as a central staff agency and spread out into a number of sections, divisions and committees, each designed for some immediate emergency task, while the primary task of co-ordination was simply lost sight of.

One of the committees thus established proved far more valuable than the Council itself—the WAR INDUSTRIES BOARD, which in 1918 became an independent organ. "It acted as a central clearing-house for procurement of supplies, re-organized the industrial resources to meet emergency conditions, determined priorities with respect to production, delivery and use of materials and supplies, fixed prices when necessary, prevented waste of materials and labor, and purchased for the Allied Powers."

The CENTRAL BUREAU OF PLANNING AND STATISTICS, established on December 20th, 1918, did important work in preparing material for the use of the American Delegation to the Peace Conference.

These emergency executive agencies were almost all dissolved at the close of hostilities and have generally speaking only an historical interest: though the present EMERGENCY COUNCIL is modeled largely on the former Council of National Defence.

The only war agency to survive is the NATIONAL RESEARCH COUNCIL established in 1918 as an "additional co-ordinating agency." Its

present aim is "to secure, classify and disseminate scientific, technical and industrial research information."

After the Great War people in America too were anxious to return to normalcy. Most of the war-time agencies having been abolished, the civil organs of government seemed likely to recover their historical position of peace-time independence. But a new agitation set in in favor of stronger budgetary institutions. The Budget and Accounting Act passed by Congress in 1921 established the office of a Comptroller-General (with broad powers of auditing and accounting) and created the BUREAU OF THE BUDGET endowed with very wide powers authorizing it 1. "to prepare an annual Budget for submission to the President which was to include all financial requests to be presented to Congress" (the Budget being drafted by the Executive is now called an "Executive Budget"),—2. to examine and inquire into the operations of the several Departments and independent establishments,—and 3. to bring pressure to bear on the several Departments to ensure better methods of operation and greater care in the expenditure of funds. Though organized as an agency subordinated to the Treasury, the BUREAU OF THE BUDGET has from the outset nevertheless maintained its independence. The Director of the Budget—the Head of the Bureau—is appointed by the President; he reports to the President himself and is independent of all Departments, even of the Treasury. All decisions on important matters are reserved for the President, who never decides in questions of a financial character without consulting the Director of the Budget. This direct contact with and dependence on the President greatly enhances the prestige of the Bureau, which is indeed the most important of all the auxiliary agencies attached to the President; the President utilizes the prestige of the Bureau in order to enforce his administrative aims or his general political objects in dealings with the several Departments and independent establishments respectively.

Under the Budget and Accounting Act of 1921 all Departments alike are required to submit all requests for appropriations or for increases in appropriations—as well as every proposal relating to an increase of public imposts—to the Bureau of the Budget for pre-

vious approval. This system—long in force previously in certain European countries—had been unknown in Washington until 1921. The prestige of the Bureau is further enhanced by the circumstance that at critical periods of development the President has always taken the initiative. On June 29th, 1921, for instance, the President convened a joint assembly of Heads of Departments and of all Federal Agencies. The President himself took the chair; and speeches were made by the President and the Director of the Budget. The next day, at a meeting of the budget officers of the several Departments, the President declared that the Director of the Budget would in all matters have the backing of Government. The President at the same time empowered the Director of the Budget to convene the Heads of Departments to meet in the White House, in the offices of the Cabinet. Conferences of the kind have been held every half-year: the President was at first always present, the first President to break this rule being Hoover, whose absence was due, not to his attaching less importance to the meetings, but to the original difficulties having been surmounted and the work of organization completed. We see, therefore, that this new organization began its activity under auspicious conditions.

The Economy Act of 1932 conferred new powers on the Bureau of the Budget. Vacancies in the services could not be filled without the approval of the President; and the right of exercising this prerogative was delegated by the President to the Bureau. Another circumstance enhancing the importance of the Bureau of the Budget is that "all executive orders proposed to be issued by the President" have "to be submitted to the Bureau of the Budget for consideration and advice." The Bureau is thus enabled to exert considerable influence on a very wide range of governmental activities.

It should however be noted that these powers and this influence of the Bureau of the Budget "extend rather to the older departments and establishments and apply much less to the so-called recovery agencies established since March 4, 1933." These agencies have escaped the normal operations of the Bureau of the Budget because Congress made appropriations of enormous lump sums for their use, each of them having had specific amounts allotted them by

executive action of the President; and they have also "escaped the normal operations of the civil service recruitment system and of the classification system." But they are subject to the jurisdiction of the Comptroller-General in respect of the auditing of their accounts. . . . Indeed, the 1935-36 budgets of many of the recovery agencies were actually submitted to the censorship of the Bureau of the Budget; while those of the New Deal agencies which survive will also undoubtedly be subjected to the ordinary operations of that Bureau.

It having been in operation already for fifteen years, it is possible to reach certain conclusions respecting the position of the Bureau of the Budget in the governmental structure. It has certainly risen to the position of the strongest and most powerful auxiliary agency at the disposal of the President. It is already generally known that the decisions taken by the Bureau of the Budget are the decisions of the President himself, the Bureau being "the most frequent vehicle for the expression of Presidential policy in matters of finance and administration." From this it follows as a matter of course that the operations of the Bureau have greatly strengthened the administrative position of the Chief Executive himself. For the first time in American history the President possesses an effectual instrument enabling him to develop and carry into effect his policy within the range of administration. "The gulf separating the relatively disorganized and unco-ordinated administrative practice of the decades prior to 1920 and the substantially integrated procedures since 1920 is wide and deep."

The position of the Bureau of the Budget has been fully endorsed by Congress. The close contact established by the first Director of the Bureau between the Bureau and the Chairman of the Appropriations Committee of the Senate and the House, has been continued ever since without a break. "Congress retains full power to increase or to diminish the recommendations of the President as contained in the annual budget." . . . The variations between the budgets as presented by the President and the actual appropriations made by Congress are so infinitesimally slight—varying from eleven-hundredths to thirty-five-hundredths per cent—that the confidence

reposed by Congress in the sound character of the Presidential Budgets is manifest and strikingly significant.

As already stated, the Bureau of the Budget, though originally made part of the Treasury Department, has acquired a position of complete independence as acting directly on behalf of the President. The Secretary of the Treasury is—historically—one of the chief financial advisers to the President; and estimates of revenues are “prepared by experts belonging to the Treasury Department, not by the technical employees of the Bureau, whose authority extends to expenditures only. The suggestions made by the Secretary of the Treasury (Minister of Finance) in respect of revenue forms the basis upon which the President formulates his program. Major questions—such as that of inflation, approval of bond issues or the retirement of the public debt—have to be submitted prior to decision to the advice of the Secretary of the Treasury. The close relations between the Secretary of the Treasury and the Director of the Bureau of the Budget is illustrated aptly by the resignation of the latter owing to a difference of opinion in respect of financial policy arising between him and the Secretary of the Treasury. And to-day “there is some indication that the Bureau of the Budget will become subordinate to the Treasury so far as major issues of financial policy are concerned, while retaining its independence in the detailed consideration of estimates of expenditure.”

That the Bureau of the Budget has not become a staff agency in the sense of the term used in the American Report (“Bureau of General Administration”), is due partly to circumstances beyond its control, partly to its having “devoted its attention closely to the revision of estimates, without broader consideration of financial and administrative policy.” Again, the Bureau itself is partly responsible; for it has not utilized the powers vested in it to study the administrative machine as a whole or to suggest means for its improvement. This result is however undoubtedly due partly to the Chief Executive himself not having seen his way to extend the powers of the Bureau on a scale converting it into a staff agency (Bureau of General Administration). It would appear also that “even in its restricted field of the revision of estimates the Bureau of the Budget

is unable to be completely effective on account of the modest strength of its own staff." That modesty is the result of the Bureau having applied to itself the principles of retrenchment and economy which it has had to impose on other departments and agencies.

It should be noted, finally, that the expenditure control to which the national government is subjected, is still inadequate. "The system of monthly allotments is . . . relatively mechanical and sometimes leads to unintelligible results." The Bureau of the Budget will not be in a position to insure effectively a continuing expenditure control until it has expanded its staff and reconsidered certain points in its procedure.

"That the United States cannot yet point to any complete results in respect to a Bureau of General Administration is attributed primarily to the fact that the Bureau of the Budget has not been able to develop into an organism of this kind."

Between 1921 and 1924 a large number of important coördinating agencies—known as COÖRDINATING COMMITTEES—were organized within the Bureau of the Budget. The work of these Committees operating in Washington and in the provinces—a work which "served to harmonize many of the business operations of the respective departments and establishments"—was exclusively administrative. In this field of operations these Committees proved unusually effective, linking up the various spending agencies more thoroughly than ever previously. Under the economy program initiated in 1933 these coördinating committees were dissolved, "their functions being partly transferred to the Procurement Division of the Treasury."

The first step toward a CENTRALIZATION OF PURCHASING for the respective departments and establishments was the establishment in 1910 of a GENERAL SUPPLY COMMITTEE, which from 1910 to 1929 functioned as an agency awarding annual public contracts for supplies needed in the District of Columbia by two or more departments. In 1929 Congress appropriated a sum of \$500,000 a year for direct purchases to be made by the GENERAL SUPPLY COMMITTEE. "In 1933 the trend toward centralized purchasing was emphasized by the

replacement of the GENERAL SUPPLY COMMITTEE by a new administrative agency in the Treasury Department known as the PROCUREMENT DIVISION."

The fact that the agencies established for the purpose of insuring economy in administration have not been made superfluous even by the introduction of the budget system, shows that "according to the view of Americans, the legislative determination of the budget is not in itself sufficient guarantee of economy in expenditure" and that "at least equal value attaches to the measures taken by the administration itself towards effecting savings." So the system of centralized purchasing, though introduced prior to the introduction of the state budget system, has survived. "The situation in Europe is just the reverse; here the system of State Budgets has long been in force, whereas in the field of centralized purchasing America is far ahead."

Among the functions of the PROCUREMENT DIVISION are: "the purchase and equipment of real estate, the determination of policies and methods of procurement, warehousing and distribution of stores and supplies."

The essential powers enjoyed by the PROCUREMENT DIVISION are specified in the following quotation from the Executive Order which established the Division:—

"In respect of any kind of procurement, warehousing or distribution for any agency, the PROCUREMENT DIVISION may, with the approval of the President, (a) undertake the performance of such procurement, warehousing or distribution itself, or (b) permit such agency to perform such procurement, warehousing or distribution, or (c) entrust such performance to some other agency, or (d) avail itself in part of any of these recourses, according as it may deem desirable in the interest of economy and efficiency. When the PROCUREMENT DIVISION has prescribed the manner of procurement, warehousing or distribution of any thing, no agency shall thereafter procure, warehouse or distribute such thing in any manner other than so prescribed."

This Executive Order the PROCUREMENT DIVISION was authorized

potentially "to expand its activities over all requirements for the government offices in the District of Columbia." There has been a steady increase in the total volume of centralized purchasing; and the subordination of the office of the Supervising Architect to the **PROCUREMENT DIVISION** has extended the sphere of operations of the latter to cover the upkeep of public buildings. The 2,269 public contracts relating to supplies made by the **DIVISION** in 1934 showed an aggregate total involved of \$20,000,000. "The same year it had stocked in its warehouses 850 different kinds of commodities."

Prior to 1883 each several Department was itself fully responsible for the "employment, supervision and control of its own employees" as determined in the Public Employees Act passed by Congress. In 1883 the Civil Service Act established a new administrative agency entitled the **CIVIL SERVICE COMMISSION** designated for the coördination of the management of establishments. The Commission consists of three Members and must include representatives of the two Parties in Congress,—that "as a guarantee of political impartiality." "The Committee was authorized to hold examinations for certain specified categories of employees, and by successive Executive Orders its jurisdiction has been enlarged to the point where it now has under its jurisdiction 460,000 federal employees."

The **CIVIL SERVICE COMMISSION**'s sphere of operations was for many years practically restricted to examinations for junior positions, it having but rarely availed itself of the power vested in it by law to organize promotional examinations, "an early effort to set up a systematic promotion plan" having been "defeated by the opposition of the departments."

Within the last fifteen years "new aspects of **CO-ORDINATION OF PERSONNEL** have developed"; and in 1920 Congress passed a Civil Retirement Act the administration of which now rests with the **CIVIL SERVICE COMMISSION**. In 1923 Congress passed an Act for the classification of positions "on the basis of uniform considerations and a careful analysis of their various functions." For ten years this law was administered by a Personnel Classification Board of three Members, one of whom represented the **CIVIL SERVICE COMMISSION**; but in 1934 this Board was absorbed in the **CIVIL SERVICE COMMISSION**,

which now itself conducts this important branch of personnel administration.

An Executive Order issued by President Harding in 1921 had for its object the establishment of a COUNCIL OF PERSONNEL ADMINISTRATION. Although this first idea was abandoned, in 1931, during the term of office of President Hoover, an Executive Order created the permanent body known as the COUNCIL OF PERSONNEL ADMINISTRATION which is presided over by the President of the CIVIL SERVICE COMMISSION, its "executive officer" being "the Director of Research in the CIVIL SERVICE COMMISSION." This Council—established for the discussion and development of personnel policy—acts as adviser to the CIVIL SERVICE COMMISSION.

We see, therefore, that during the last fifty years there has been considerable progress toward the coördination and organization of personnel work. "The present situation in the Federal Government represents a greater concentration of authority over personnel than is to be found in Continental countries generally."

However, the CIVIL SERVICE COMMISSION does not form part of any general executive staff agency (Bureau of General Administration), but is an independent establishment, the oldest of the kind in America. "It has no organic connection with the BUREAU OF THE BUDGET, with the NATIONAL PLANNING BOARD, with the PROCUREMENT DIVISION, or with any other auxiliary agency."

The economic crisis ensuing in 1930 "crystallized a new need for better co-ordination of the respective administrative organs of the national government, especially when those organs began to increase in number and to diversify in scope subsequent to the inauguration of President Franklin D. Roosevelt on March 4, 1933." Early in the present administration a certain amount of CRISIS CO-ORDINATION was insured by the functioning of the personal advisers of the President, "some of whom later came to be known as Members of the BRAIN TRUST."

But, these "informal means of co-ordination" proving inadequate, on July 11, 1933—sub. No. 6202-A—the President issued an Executive Order establishing the EXECUTIVE COUNCIL for the purpose of coördinating "the New Deal governmental agencies" and more par-

ticularly of making more effective "the program of the National Industrial Recovery Act and of the Agricultural Adjustment Act." The Members of the Executive Council included the Members of the President's Cabinet, the Director of the Budget, the Administrator of the National Industrial Recovery Act, the Administrator of the Agricultural Adjustment Administration and Heads of several other important new agencies.

For the purpose of coördinating the field agencies serving to promote industrial recovery, by Executive Order dated November 17, 1933, the President established the NATIONAL EMERGENCY COUNCIL, which included among its Members the Attorney-General, the Secretaries of State and the Heads of all important New Deal agencies.

By Executive Order No. 6889-A dated October 29, 1934, these two Councils with a similar field of operation were amalgamated by the President under the title of NATIONAL EMERGENCY COUNCIL. The Director of this joint Council has often been referred to as "Executive Vice-President" or "Assistant President": but that is a misnomer. For the "function of the Director of the NATIONAL EMERGENCY COUNCIL in the co-ordination of government policy and administration is still too undefined and too new to make it possible to state with any precision whether an adequate staff agency has finally been established—or whether on the contrary the NATIONAL EMERGENCY COUNCIL is merely one in a series of transitional efforts to secure the proper co-ordination of the respective agencies of the administration through staff and auxiliary services. Present evidence indicates that the EMERGENCY COUNCIL is only a temporary and transitional organism."

For the purpose of realizing the "comprehensive program of public works" behind the appropriation by Congress in 1933 of the sum of \$3,500,000,000 "for public works" President Roosevelt—by Executive Order—established the NATIONAL PLANNING BOARD including among its Members ex-officio three Secretaries of State, the other Members being appointed by the President. "This Board has done much within the last two years"—so runs the 1936 American Report—"to extend the idea of national planning and to organize an in-

strument for staff purposes of the highest order." The studies and reports of the NATIONAL PLANNING BOARD have "disclosed a vast amount of research and planning already being carried on, but without cohesion and without relation to any definite system of national aims." The vital problem is to coördinate the various planning activities. In its first Report—after giving a description of existing planning agencies—the BOARD stated that "none of the co-ordinating agencies described has either the powers or the resources for surveying the national scene as a whole and for discerning how it is shifting and what are the forces which may be harnessed to give it direction." Generally speaking the problem is discussed in rather simple terms. It is presumed that all that is wanted is to assemble a number of men representing the various agencies and bureaus and to intrust them with the work of coördination. Yet this problem—one of the most difficult problems of policy and of administration—is not so simple as that. It involves four different tasks: 1. that of organizing and making an agreement in respect of objectives and methods; 2. that of organizing the coördinating process itself—that implying a whole series of intermediate points of contact for the coördination of ideas, policies, procedures and activities; 3. that of combining the work of coördination with the taking of decisions. We must not imagine that coördination means only an adjustment of policies already made; for when once made a policy cannot be changed or adjusted to other policies without considerable difficulty. . . . "Shaping and adjusting should be considered in the early stages when flexibility is greater and before commitments are made by the very people who are afterwards to do the coördinating." And—this is the fourth point—"coördination is also in large measure a problem of personnel and psychology. It is hardly enough for the purpose of co-ordination to bring together a committee of representatives of specialized work. . . ."

By Executive Order dated June 30, 1934, the President replaced the NATIONAL PLANNING BOARD and the COMMITTEE OF NATIONAL LAND PROBLEMS by the NATIONAL RESOURCES BOARD, which—in addition to the three persons originally Members of the National Planning Board—includes five Members of the President's Cabinet (Secre-

taries of State) and the Administrator of the Federal Emergency Relief Administration. The Board has three sub-sections for dealing with questions of land, water-energy and mineral policy respectively. "The NATIONAL RESOURCES BOARD is not merely concerned with the physical resources of the nation, but believes that the human resources are of even greater importance."

Surveying the scene in 1935 in respect of the gradual coming into being of auxiliary agencies, the American Report (submitted to the International Congress on Public Administration) concluded that "while there has been considerable development in the last twenty-five years, the national administration still lacks an effective service of general administration. Many elements of staff work may be found, and a considerable number of administrative organs whose business is partly of the nature of staff work exist. They themselves, however, are not related effectively to the Office of the President of the United States (Chief Executive). Much closer co-ordination of the co-ordinators must be worked out before an effective staff agency will be achieved. The complex operations which the national government now discharges and the unexampled scope of its operations make more effective staff work very important."

Staff work in the specifically military sense of the term can hardly be described as "institutionally existing" in civil administration—though in certain respects the NATIONAL RESOURCES BOARD does slightly resemble a general staff.

"In summary"—said the Report—"the existing staff and auxiliary agencies of the National Government of the United States include:

1. The President's Secretariat.
2. The Civil Service Commission (1883).
3. The Bureau of the Budget (1921).
4. The Council of Personnel Administration (1931).
5. The National Emergency Council (1933).
6. The National Resources Board (1933).
7. The Procurement Division of the Treasury (1933).
8. The Central Statistical Board (1933)."

The other American Reports point to a development similar in tendency to that in the Union, though with certain deviations in the States of Wisconsin, Virginia and Maryland, and in New York City.

The above enumeration itself suffices to show the very scattered character of the principal auxiliary agencies assisting the Chief Executive in carrying out his administrative functions. Those who have closely observed the development are agreed that the Chief Executive needs a better planning and coördinating agency than any yet brought into being—and “that the auxiliary agencies need to be more closely articulated with the Office of the Chief Executive.”

In 1929 a Committee—a representative group of experts—under the direction of Mr. W. F. Willoughby, then Director of the Institute for Government Research, drafted a proposal for the establishment of a SERVICE OF GENERAL ADMINISTRATION the primary objects of which were: 1. to afford the President “a more effective agency to meet his responsibilities as Head of the Administration”; 2. to more effectually coördinate the staff work united in a single service of general administration; 3. to induce a general improvement of the administrative branch of the public services “through reduction of the number of independent establishments and by giving the executive department more nearly a uni-functional character.”

The said proposal suggested the formation of four major bureaus in the general staff agency—viz., “Bureau of the Budget,” “Bureau of Personnel Administration,” “Bureau of Material” and “Bureau of Investigation.”

This proposal—presented to President Hoover as Chief Executive—has never been carried into effect; “but it remains even today the most comprehensive program for a staff service auxiliary to the President which has been proposed.”⁴⁶

However, since then a great step forward in this field has been taken in the United States. In 1936 President Roosevelt intrusted a Committee with the task of drafting proposals for the purpose of

⁴⁶ This proposal is stated in “*Public Personnel Studies*,” Vol. 7, pp. 166-179, and includes the draft of a Bill to establish the service of general administration.

perfecting "general administration" in the Union. This "President's Committee on Administrative Management," which consists of three Members, submitted its report on January 8, 1937, after President Roosevelt had been reëlected. On January 12 the President presented the report to Congress. The report—which is of great importance scientifically too—summarizes its proposals under the following heads:

1. The business and management organization of the White House should be organized by giving the President six executive assistants to aid him in dealing with the departments and agencies of the government.

2. The more than one hundred separate departments, commissions and boards of the government should be consolidated within 12 regular government departments which would include the existing ten departments and two new departments, a Department of Social Welfare and a Department of Public Works. The name of the Department of Interior should be changed to Department of Conservation.

3. The merit system should be extended to the whole civil service including policy-determining positions—a change involving 250,000 positions.

4. Three planning agencies should be strengthened in order to render more effective assistance to the President in his administrative responsibilities. Thus the Budget Bureau should be enlarged, and in particular its efficiency research division strengthened. The work of the temporary National Resources Committee should be carried on by a permanent National Resources Board. A Civil Service Administrator should be established, taking the place of the Civil Service Commission. This administrator would be subject to an unpaid citizen board of seven members drawn from among the ablest men and women of the country.

5. The system of financial control should be reorganized by abolishing the office of Comptroller General in favor of an Auditor General, and by creating a true post-audit of financial transactions by the latter office, who would report illegal and wasteful expenditures to

Congress without himself becoming involved in the management of departmental policy.

Although the original plan provided for six executive assistants and three planning agencies, the committee expressly disavowed the idea of establishing "assistant presidents," and it did not attack the problem of establishing a unified direction of the general staff of civil administration. Bills to carry out the recommendations of this report were introduced into Congress in 1938. Critics seized upon the cry of "dictatorship" to prevent their passage. Although the bill passed the Senate of March 27, 1938, it was killed in the House. Congressmen professed to believe that an increase of the efficiency of the executive would increase its power at the expense of the legislature. Meanwhile the problem of government reorganization within the United States remains unsolved.

§ 35. THE BRITISH TREASURY AS AN ORGAN OF "GENERAL ADMINISTRATION"

The sphere of authority and legal status of the British Treasury show a historical development which has given it all the qualifications necessary to enable it to play the rôle of a Bureau of General Administration. "As a result of its special constitutional position the Treasury has come to be charged with the duty of acting on behalf of His Majesty's Government in matters affecting the civil service as a whole and with responsibility for the general supervision and control of the Civil Service."⁴⁹

The First Lord of the Treasury is the Prime Minister; the *Second Lord* is the *Chancellor of the Exchequer*. The connection between the Prime Minister and the Treasury is not merely formal. This is shown also by the fact that the British Budgets did not contain any item designated as Salary of the Prime Minister, the Prime Minister drawing his salary as First Lord of the Treasury until the passing of the Ministers of the Crown Act, 1937.

The Permanent Secretary to the Treasury is also "the Permanent

⁴⁹ See "Royal Commission of the Civil Service" (1929), Introductory Memoranda relating to the Civil Service, submitted by the Treasury (London, His Majesty's Stationery Office, 1930), p. 23.

Head of the Civil Service,⁸⁰ in which capacity he is the principal official advisor of the Prime Minister." The salary of the Permanent Secretary is £500 more than that of the Permanent Secretaries of other Ministries, to stress his character as Head of the Civil Service. He is a professional official, whose position is independent of all political changes of the government. The position of Head of the Civil Service is always filled by the most eminent member of the Civil Service, who need not necessarily be a member of the Treasury staff. The same principle is also in force in connection with the appointment of the other Permanent Secretaries.

In the Continental States, which adopted the British parliamentary system without importing its native soil, the development of the Cabinet system shows all the ministers of equal rank. That is why the Minister of Finance himself is only a coördinate of the others and the Prime Minister also is merely *primus inter pares*. In this situation there are constitutional difficulties in the way of the establishment of an organ of General Administration and of giving the Prime Minister the superior legal status incidental to his position as head of that organ. In Great Britain, due to the established relation between the Prime Minister and the Treasury, there has never been need of a special Bureau of General Administration, the rôle of that organ having been assumed by the Treasury. Thus, the actual importance of the Treasury due to its financial responsibility has been continually enhanced by the political weight of the Prime Minister, and these two factors have solved legally the problem for which Continental Parliaments and Cabinets have so far been unable to find any solution. The function of the Bureau of General Administration is performed by the *Establishments Department of the Treasury*. This Department was organized in 1919. "The Department was created for the reason that the effective discharge of that part of the functions of the Treasury which is concerned with the improvement of the machinery of Government, required the concentrated effort and the undivided attention of a staff specially

⁸⁰ A Treasury Minute dating from 1867 was the first document to give the Permanent Secretary of the Treasury the title of "Head of his Majesty's Civil Service." (See M. E. Mustoc, "The Law and Organisation of the British Civil Service," London, Pitman, 1932, p. 12.)

selected for that purpose.”^{50a} “In matters of general control the Treasury has power to make regulations controlling the conduct of the Civil Service and providing for the classification, remuneration, and other conditions of service of civil servants. In the sphere of control of staff the constitutional position is that the Minister in charge of each Department is responsible to Parliament for the effective management of the staff of that Department. The Treasury for its part does not interfere in such matters as they affect the individual civil servant, and it does not interfere so as in any way to impair the control exercised by the responsible Departmental authorities. But it does, from time to time, issue general regulations in respect of subjects affecting the general arrangements of Departments where diversity of practice would be inconvenient or unfortunate.”⁵¹

The Establishment questions form an important part of the functions of the Treasury.

The administrative duties of the Treasury may most conveniently be described according to their subject matter under the three following heads: finance, supply expenditure and establishment questions.

Finance includes the consideration of fiscal and economic matters, including debt, loans, currency, banking, international finance, parliamentary finance (presentation of estimates, procedure), etc.; it also comprises taxation problems, for which, however, the Boards of Inland Revenue and of Customs and Excise are respectively responsible.

Supply expenditure may be broadly described as covering expenditure on all Government Services other than that falling under Finance and Establishment questions, e.g., Housing subsidies, expenditure on Fighting Services (other than personnel).

Establishment questions may be described generally as the organization and machinery of the public services and includes questions of personnel (e.g., numbers, classification, and grading, rates of remuneration) and the regulation of the Civil Service.

^{50a} Royal Commission on Civil Service 1929 First Day 11th November 1929 p. 5.

⁵¹ *Ibid.*, p. 15.

The distribution of duties between the divisions in which the Treasury is organized is as follows:

FINANCE

First Division. Internal Finance, including internal debt, loans, banking, currency and coinage, revenues, parliamentary financial procedure. (Attached to this Division are the Treasury Officers of Accounts who act in a consultative capacity on all questions relating to accounting principles and methods.)

Second Division. Foreign Finance, including external debt, reparations, foreign and colonial currencies.

Financial Inquiries Division. Investigation into economic and financial questions.

SUPPLY EXPENDITURE

Third Division. Social Services, etc., including Housing, Health, Labor, Pensions, Police, Transport.

Fourth Division. Education, Arts and Science, Trade, Agriculture, Fisheries, etc.

Fifth Division. Material and Policy questions relating to the Navy, Army, and Air Force, Foreign, Dominion and Colonial Services, etc.

Sixth Division. The superannuation of Civil Servants, compensation for injuries, etc.

Seventh Division. General questions affecting the Civil Service, except superannuation.

Eighth Division. Personnel questions relating to the Navy, Army and Air Force, including civilian personnel employed by these Departments.

Ninth Division. Establishment questions relating to the Post Office, Stationery Office, Office of Works; services carried out by these Departments (except Post Office revenue which is dealt with by the First Division); industrial wages, etc.

Tenth Division. Establishment questions relating to Colonial Office, Dominions Office, Foreign Office (and the services carried out by these Departments), Home Office, Inland Revenue Depart-

ment, Ministry of Labor, Ministry of Transport, and certain other departments. All questions relating to Museums and like Institutions.

Eleventh Division. Establishment questions relating to the Departments responsible for Agriculture and Health; Board of Trade and certain other Departments. All questions relating to Legal Departments.

Outside the division organization are the following branches:

1. The Accounts Branch, which is an executive accounting section under an Accountant and Deputy Accountant.

2. The Investigation Branch, which consists of three officers who conduct investigations in connection with the simplification of office methods and processes, and the introduction of office machinery and labor-saving devices throughout the Public Service.

3. The Chief Clerk's Branch, which is responsible for the clerical, registration, minor administrative and messengerial duties connected with the Department.⁵²

The British Treasury has no functional tasks and only displays an institutional activity. To use the words of an American investigator, "it is difficult to overestimate the significance of this fact."⁵³ The Treasury has no immediate connection with the public; that is the work of the other Departments. Nor is it the work of the Treasury to collect the State revenues; for that purpose there are special Revenue Departments. Nor does it administer the public moneys or State debts; there are special organs for this purpose too. Nor does it control expenditure; that is the work of the Comptroller and Auditor General.

The connection between the Treasury and the other Departments is maintained by the Departmental Establishment Branches and Divisions organized in those Departments.

At the head of each Department there is an eminent official, next in rank to the Permanent Secretary of his own Department. His business is to coöperate with his assistants, among whom there is usually a woman, in an endeavor to insure that the activity of the

⁵² See Treasury F., 2879/2, 1932.

⁵³ Willoughby, *op. cit.*, p. 59.

personnel shall be as economical and as efficient as possible within the limits prescribed by the Budget. Appointments, pensioning, the correct and accurate determination of the value of the official, the decisive influence exercised on their promotion, the employment of good rating systems, simplification of work, the introduction of methods for saving labor, the abolition of duplication of labor, etc.—these are some of his tasks.

This head official was elevated by his own Minister and is subordinate to him only. Before he is appointed, however, the Minister has to secure the approval of the Treasury. Hereby fine connecting links are forged between the Treasury and the Departments insuring the Treasury an influence compatible with the principle of ministerial responsibility. The legal status of this official resembles that double subordination which we have seen in the case of the military General Staff, where the chief of staff of an army corps, for instance, is subordinate to the commander of that corps, and at the same time to the Chief of the General Staff.

The Establishment Division of the Treasury, which is familiar with the institutional problems of all the other Departments with whom it is in constant contact through the head of the Establishment Branches, is the depository of the experience of the whole public administration. In this way, it is in a position to possess superior experience and to act as a Clearing House for institutional questions. So it is well qualified to solve comprehensive questions and to contribute a continual improvement of the Public Service.

The Establishment Division of the Treasury has under it also the *Civil Service Commission*, which has for its work the arrangement of the civil service entrance examinations.

In this connection mention must be made of the *Whitley Councils*,⁵⁴ established in 1919 in the public service. These Councils, which the public service adopted from industry, are to-day official organs to enable the public service personnel to negotiate through them continuously and directly with representatives of the Government and thereby to further the possibility of insuring beneficial deci-

⁵⁴ See Leonard D. White, "Whitley Councils in the British Civil Service." (Chicago, 1932, XVII) p. 357.

sions and regulations in important questions of personnel policy. It is their endeavor to "secure the greatest measure of cooperation between the State in its capacity as employer and the general body of civil servants . . . with a view to increased efficiency in the public services, combined with the well-being of those employed, to provide machinery for dealing with grievances, and generally to bring together the experience and different points of view."⁵⁵

There are three grades of Councils: the National Whitley Council, which comprises 54 members, one half of whom are appointed by the Government, the other half being elected by the personnel; the Departmental Whitley Councils for the use of the ministries or the big branches of service; and finally District or Office Work Councils, all composed in the same manner. The chairman of each Council is the representative of the authorities. The Councils are advisory bodies, though in certain cases they have the right to make decisions. The activity of these organs is being watched with the greatest interest and confidence, for the advantages which they offer to the public service are evident. In the first place, Councils create a satisfactory personal and human contact between employer and employed. For the Government, they mean a possibility of securing information concerning the grievances and wishes of the personnel; while for the personnel they mean a possibility of contributing by their proposals to the development and improvement of the public service. The experience so far obtained shows that the system has proved so completely successful that—to use the words of an American critic—"Whitleyism is today the most successful attempt of any government to recognize points of view expressed by the civil servants upon the complex problems of employment relationships within the public service."⁵⁶

From the point of view of the efficiency of the public administration, great importance attaches to the fact that in the British Civil Service among the various groups of officials a distinction is made between the executive and the administrative classes, the two highest

⁵⁵ See M. B. Lambie, "The British Civil Service," Report of Wage and Personnel Survey, Personnel Classification Board, Washington, 1929, p. 458.

⁵⁶ Lambie, *op. cit.*, p. 417.

categories. By "Executive" we mean those offices the function of which is to preform the operations developed and determined by laws, rules and practice; and by "Administrative" we mean those offices which comprise general direction, planning and the giving of advice to the political officials.

The Executive Class has far more members than the other. The Administrative Class does not contain all together more than about 800 members. The peculiar thing is that the two classes are separated everywhere, and it is, therefore, exceptional for members of the Executive Class to be transferred to the Administrative Class. The members of the Administrative Class are mostly persons who began service in that Class. As a consequence, the greater demands made upon the Administrative Class are enforced immediately on entrance into the service and are provided for in the preliminary training. All persons are admitted to either body only after passing an entrance examination—candidates for the executive class between the ages of 18 and 19, after finishing a secondary school education, and candidates for the administrative class between the ages of 22 and 24, after graduating from a university. The development of the administrative class took place between 1855 and 1876, when that class was called "Class I for the Higher Clerkships." The object of establishing this privileged class was to secure young men of the highest intelligence and qualifications for the public service and then train them after admission to occupy the highest positions. The entrance examination is usually too difficult except for graduates of Oxford or Cambridge or of some other leading university. "The duties are concerned very largely with the formation of policy, the revision of existing practice or current regulations and decisions, the recognition and direction of the business of government and co-ordination and improvement of government machinery and the general administration and control of the departments of the public service. For the performance of these duties, the Government places stress upon intellectual capacity, an understanding of relationships, and personal ability to direct and to manage. These officers must understand the British traditions, the subtleties of distinction, the

careful balancing of ideas and the avoidance of irrelevant contentious matters in the handling of delicate situations."⁵⁷

The Administrative Class is divided into two sub-classes; one, the lower, is the *cadet corps*, in which are the assistant principals, the other, the higher, is that containing the principals. The lower subclass contains 400-500 young clerks, only the number actually required being admitted. Women may be admitted too. Conditions favorable to their development are carefully provided—tasks entailing responsibility, duty as secretaries to officials in leading positions, the study of State documents, and of the whole activity of the several Departments.

The number of principals is roughly 350; these men, as heads of important administrative classes, are attached to the incumbents of the most important positions, to the Permanent Secretaries or Assistant Secretaries.

The highest executive offices are filled by the promotion of principals of the executive class; and the highest administrative offices, such as those of Permanent Under Secretary, Senior Assistant Secretary, Director of Establishments, etc., by the promotion of principals belonging to the administrative class.

The rôle of the administrative class, therefore, corresponds roughly to that of the General Staff; though it is recruited and formed in a different manner.

In the public service we may distinguish three systems of recruiting: (1) the aristocratic, (2) the democratic, and (3) the bureaucratic. The administrative class is the most striking example of the aristocratic system.

§ 36. ORGANIZATION OF THE ADMINISTRATIVE FUNCTION OF GOVERNMENT IN OTHER COUNTRIES

FRANCE

In France the question of the extension of the powers of the Prime Minister and of his auxiliary agencies has been continuously

⁵⁷ Lambie, *op. cit.*, p. 417.

in the foreground since the Great War; but so far it has not been definitely solved.

In the first half of the nineteenth century, under the Monarchy, the development of the legal status of the Prime Minister was impeded by the pretensions of the king, which consisted in wishing not only to reign but also to govern. For that purpose, the king had to be the immediate head of his ministers and the director of their activity. A President of the Council (Premier) interposing between the king and his ministers could not but supplant the king in this rôle of Head of the Government and thus govern in his place. Then, the ministries secured a Prime Minister or were deprived of one depending upon the ability of the political personalities in power to restrain the king from governing. Moreover, as a consequence, there arose another objection to a President of the Council which contributed to maintain that position in the State of a disputed institution. It was considered that the post of President of the Council endowed with effective powers of direction was incompatible with the principle of personal political responsibility of the Ministers. In proportion to their subordination to the authority of the Prime Minister, the Ministers have to renounce their personal responsibility.⁵⁸ This pretension of the ministers to be coördinate with the Prime Minister on the pleas of personal responsibility remained, however, in evidence, not only in France, but also in other countries, even when the monarch ceased to govern.

Nevertheless, in France there have always been disputes in connection with the organization of the office of Prime Minister in respect both to his rôle and to the means to be placed at his disposal. People have never been willing to admit frankly that rôle, particularly refusing to have it recognized by the Constitution. On the other hand, there has never been any express denial of that rôle. In France, the position of the Prime Minister was always a little precarious. And when the present Constitution was drafted (in 1875) this disputed character of the office prevented any provision

⁵⁸ See R. Bonnard, "La Présidence du Conseil" (*Revue du Droit Public et de la Science politique*, Paris, 1935, No. 1), p. 77.

being included to deal with the post of Prime Minister. So the constitution is silent on this subject.

The question was constantly in the foreground both during and after the Great War—and is still in the foreground to-day—because there has been so enormous an increase in the political and administrative functions of the Prime Minister that “the question has been broached of finding means to enable the Prime Minister to cope with them.” It has proved necessary to lighten the burden of the political functions of the Premier and also at the same time to facilitate the performance of his administrative tasks. The Prime Minister has endeavored to secure relief either by not undertaking any portfolio or by appointing an Under-Secretary of State for the express purpose of assisting him, in the performance of his political functions. For the purpose of performing his administrative functions, however, it was necessary “to endow the office of Prime Minister with a certain permanent bureaucratic organism analogous to that belonging to the other ministerial departments in order to insure through all the changes in ministers a certain continuity in the work of planning the general policy of the government. The Prime Minister would thus comprise 1. organs of documentation and of study to give information directly to the Premier and make it unnecessary for him to have recourse therefor to the services of the ministries; 2. organs of liaison and of coordination between the various ministries for the transaction of inter-departmental affairs; and finally, 3. organs to prepare decisions belonging to the proper sphere of the Premier.”⁵⁹

In 1917 during the office of Ribot, the first attempt was made to organize the office of Prime Minister, which under different governments has kept changing its form. There have been all kinds of forms, *Secrétariat administratif* (Ribot), *secrétariat général* (Painlevé), *sous-secrétariat* (Clemenceau), *secrétariat général permanent* (Herriot); then it was abolished by Poincaré (1924); in 1925 Painlevé attached to himself “a certain administrative organization.” This was also abolished by Poincaré in 1926.

Premier Tardieu in 1932, when he took over the reins of govern-

■ *Ibid.*, p. 80.

ment for the third time, endeavored to solve the problem in another way. He wished to have a Deputy Premier and to organize the control of public administration in his hands, as is proved by a memorandum submitted by him to the President of the Republic; but his aim in adopting this solution was a comprehensive one. He not only desired to give the Premier an auxiliary agency for the execution of his task, but proposed at the same time to give a decisive impulse to the solution of the problem of general administration. The memorandum, which is a clear expression of his conceptions, ran as follows:⁶⁰

"The extension of the powers of the State in fields which are continually becoming more numerous and more varied has for some years shown the necessity of placing under the direct authority of the Prime Ministry a permanent organ of liaison and of coordination of our great public administrations.

"This creation corresponds in the administrative order to the institution recently established in the economic order and in the political order of consultative committees such as the National Economic Council or of great services such as the National Economy (established several years ago as an under-secretariat of State in the Prime Ministry) or as the services of Alsace-Lorraine.

"Whatever may be the status of these new institutions, whatever department to which they are attached, they constitute to some extent appendages to the Prime Ministry, which employs them frequently and thus has more extended means of information and of action.

"The institution of a control of the public administrations is in keeping with an analogous preoccupation. It should enable the Deputy Premier, who should be permanently delegated by the Premier for that purpose, to collect rapidly through the mediation of the various ministers all the documents which are of direct interest to the Head of the Government and which furnish him precise information respecting the progress of the various services.

"Most of these documents are already contained in the reports of the body exercising special control. A centralisation of these reports in the Prime Ministry would appear particularly opportune.

⁶⁰ See *Journal Officiel de la République Française*, 1932, No. 53.

It should appear particularly efficacious because the observations and criticisms contained in these reports are by their very generality of interest often to several ministers at one and the same time.

"The constantly increasing interpenetration of our great public administrations, the number, variety, and conflicting character of the problems confronting them in various fields demand almost continual recourse to the arbitration of a strong authority which, appreciating the points of view of the various departments, shall be able to settle the questions with perfect fairness.

"This authority must be the Prime Ministry. It has not the time, and it often lacks the necessary information, for accomplishing this task efficiently. The Deputy Premier, particularly when filling the office of minister of justice, is better situated than any one else to exercise this role with objectivity and the independence which is desirable.

"The arbitration which he exercises by virtue of formal delegation could not, however, bear on matters which depend upon the highest ranking representative of ministerial policy in each department or which require their unanimity of views for common intervention. For that reason, questions of national defence or national economy, which are otherwise subject to the jurisdiction of the two Under-Secretaries of State in the Prime Ministry, could not be investigated by him except on the occasion of particular problems that might arise relative to the organization and to the powers of the central administrations. His business is to settle finally disputes of an administrative character.

"But such interventions could not be merely interventions of circumstance. In order that they may be exercised with the necessary authority and discernment, it is of the greatest importance that they should appear as the result of a methodically elaborated plan of administrative reorganization and simplification.

"There is no need of creating any doctrine of public functions any more than there is of restoring the authority of the State. But a better adaptation of the existing organs to their task—a task which is in constant evolution—remains the duty of each new generation. This work of revising means and forces is being performed in our day

with success in the field of private enterprise. Why should the State refuse to enter the delicate but salutary path of 'administrative rationalisation'? To rationalise is at the same time to augment the yield and decrease the costs. The necessity of discovering the best yield of our administration was never so pressing as it is today. The necessity of reducing the general costs of administration is just as urgent. In many places, useless organs or duplication of work can be eliminated, and the elimination would result in economising and in relieving the Budget.

"The first expression of this rationalisation is in the control of the public administrations; it should find in that control its best chances of realization.

"Centralisation, arbitration, rationalisation—these would appear to us, in the order of their increasing importance, the essential tasks of the organism which we have proposed to institute. Such tasks demand extensive means. The countersignature of the Deputy Premier will be required in the future for all Bills or regulations of public administration involving a modification of the organization of the public administrations.

"The organ, the present creation of which we beg you kindly to approve, offers the advantage of introducing into our administrative methods more homogeneity and more elasticity. Besides it renders less necessary the creation of those inter-departmental commissions which have multiplied excessively in recent years and whose activities pursued slowly have but rarely given rise to any practical and useful solutions.

"It is not, therefore, a question of creating a body of new officials which would only uselessly duplicate the work of the existing bodies of control and would render necessary the undertaking of fresh expenditures. It is not a question further of instituting a super-control at which the Ministry of Finance might take umbrage fearing that it might impede the control both minute and close, which it (the Ministry of Finance) exercises through the Budget over the activity of the units of our administration. The draft of a decree which has been submitted to you confines itself to planning the functions of an active cell the elements of which will be recruited

from the active members of the body of control at present in existence and which will in the future be able to contribute to the greater efficiency of our public services."

However, the solution proposed by Tardieu did not survive the Government proposing it. This uncertainty and these endless interruptions were due however to the position of the Premier himself being undetermined. It was this state of things that President Doumergue in 1934 desired to change, expressing his aims in the speech which was broadcast on September 24th:

"In France, the Head of the Government, as the Prime Minister is called, is only a fiction. He is not invested with any special authority. The Constitution ignores him and makes no mention of him; and that is a mistake. *De jure* and *de facto* he is a minister like the others, which does not give him sufficient authority to arbitrate among his colleagues.

"Can all this be remedied? Why, certainly it can. I should not have told you about the evil if there were no remedy.

"Let us give to the Government the authority of which it has so great a need by first of all giving its chief, by the insertion of a few words in the text of the Constitution, the quality of Prime Minister which he ought to have."⁶¹

So Doumergue also regarded it as inevitable that the status of the Prime Minister should be raised above that of the other ministers for the purpose of assuring him "the possibility of governmental action." This was expressed by him in a speech delivered on October 4, in the following terms:

"You know already that I expect a well organised Prime Ministry with a President (Premier) acknowledged by the Constitution at its head to be able to provide possibilities of governmental action not existing today.

"In my project the Prime Ministry is to be granted services and a select permanent personnel, which shall above all not be a large one, detached from the large public administrations. Thanks to these services the President of the Council (Premier) will be able to follow attentively the activity of each ministerial department

⁶¹ Bonnard, *op. cit.*, p. 74.

and to watch that none of these departments obstruct the others and that initiatives, work, and efforts shall be coordinated for the general good. The Prime Ministry shall have the reorganised National Economic Council attached to it, besides the services of general statistics and of the secretariat-general of the Supreme Council of National Defence."

As we know, Doumergue was not willing to waive a jot of his demand for an amendment of the Constitution, an attitude which brought about his fall without his having realized his aim. "Minister Flandin, whose role it was to abandon the policy of reform of the State insisted upon by his predecessor while suggesting that he was continuing that policy," once more secured for the Prime Ministry a personnel transferred from other departments and at the same time took a concrete measure probably calculated to further the stability of the Prime Ministry. He installed the offices of the Prime Ministry in the Hotel Matignon. Previously, having no premises of its own, it had always moved to the ministry at the head of which stood the Prime Minister of the moment.

Recently one of the Members of the French Government has been entrusted—as "*ministre d'Etat*"—"with the services of the Prime Ministry." (Chautemps Cabinet, 1938.)

This nomad and intermittent life, combined with the constant change of its personnel, naturally prevented the office of the Prime Minister becoming a Bureau of General Administration. Apart from the attempt made by Tardieu referred to above, the problem usually in the foreground in the organization of the Prime Ministry is the political one—viz. the solution of the political rôle of the Prime Minister. This development, however, shows evidently that the question can never be solved without an adequate change in the status of the Prime Minister; and that cannot be achieved without an amendment of the Constitution. The difficulty blocking this solution is that neither Parliament itself nor the parliamentary ministers are prepared to agree to any such reform in the office of Premier and will do all in their power to prevent his status being raised.

ITALY

In Italy the organization of the Prime Ministry has not been so difficult a task as in France. Already in 1887 Premier Crispi by Executive Order organized the *Segreteria della Presidenza del Consiglio dei Ministri*. Fascism however solved the problem of the status of the Prime Minister by making him *Capo del Governo*, giving him in that capacity, as we have seen, an extensive jurisdiction. That jurisdiction extends to the territory of all State functions, differing in this point from that of the Premiers of all other States. In Italy, therefore, the problem is no longer how to establish a Service of General Administration with a super-ministerial power for that organ already exists in the person of the *Capo del Governo*. The question is only how the Presidenza del Consiglio may serve the Capo del Governo in respect to information, study and execution in the exercise of his exceptionally high, complete and delicate power. According to the different kinds of powers of the Capo del Governo we find a variation of the function which the Presidenza del Consiglio may perform as auxiliary organ of the Head of Government.⁶²

The political action of the Capo del Governo is by its very nature a strictly personal action. For that reason the Presidenza has no other rôle to play in this field but that of information and execution. To this sphere belongs the relationship of the Capo del Governo to the Grand Consiglio del Fascismo.

In the field of general administration the Presidenza has a far more important rôle to play in the relationship between the Capo del Governo and the administrative system. It collects and prepares all information required by the Capo del Governo in making his decisions. It does the same work in those questions in which the Capo del Governo has to adjust differences of opinion between ministers. This function of the Presidenza is watching the activity of all the ministers, in order to be able to keep the Capo del Governo continually informed of that activity and to call his attention to all

⁶² See Corsini, "La Presidenza del Consiglio dei Ministri" (Milano, Guiffre, 1925), p. 108.

cases in which his intervention is necessary and desirable. It is also required to submit to the Capo del Governo all the data needed to explain the questions in which the Head of the Government has to express an opinion. The Presidenza must at the same time discover all the elements which may be useful to the Capo in directing the work of the various ministries.

An important function of the Capo del Governo is the direction of general administration—of the questions affecting public administration as a whole—a function involving foresight, organization, commands, coördination, and control. This often demands initiative emanating from himself. This group of problems includes first of all those affecting the activity of all the ministers simultaneously which on that account cannot be adjusted uniformly except by the Capo del Governo. He is the only organ able to coördinate the various demands because he alone possesses the opportunity to effect a comprehensive survey of the requirements of all the various departments. Among these questions special importance attaches to the adjustment of the personnel problem both hierarchically and legally, to the standardization of the materials used by the administration and to the drafting of legal ordinances affecting all or several of the departments. Such ordinances cannot be issued by one of the interested parties, but only by a superior organ which stands above them.

To the jurisdiction of the Capo del Governo belong also all the questions which cannot be assigned to the jurisdiction of any particular Ministry. Finally, as we have seen already, the Capo del Governo is in a position to take charge of any matter subject to the jurisdiction of any ministry, for any given period, where he considers such procedure necessary owing to the importance of the questions involved.

In all these questions it is the duty of the Presidenza del Consiglio to study and prepare the matters, to take measures in keeping with the instructions of the Capo del Governo, to check the execution of the instructions issued, and also to settle or submit to the Capo all controversies that may arise in connection with its action.

The Presidenza is at the same time the secretariat of the Con-

siglio dei Ministri. In this capacity it plays a particularly important rôle in all questions to be submitted to the Cabinet Council for decision or to be discussed there. This activity extends also to an investigation of all Bills in order to ascertain whether they in every respect conform to the general political principles enunciated by the Capo del Governo.

The varied aspects and complex character of the activity of the Capo del Governo also makes it necessary that constant studies should be made for the purpose of continually improving and systematically developing the public administration. In this field too the auxiliary agency of the Capo del Governo is the Presidenza del Consiglio. In the Fascist system, however, various new organs, or organs which existed previously but were not subordinate to him—have been subordinated to the Capo del Governo—e.g. the *Gran Consiglio del Fascismo*, the *Consiglio di Stato*, the *Corte dei Conti*, the *Avvocature Generale dello Stato*, the *Consiglio Nazionale delle Corporazioni e Comitato Corporative Centrale*, the *Stato Maggiore Generale*, the *Commissione Suprema di Difesa e Comitato per la Mobilitazione Civile*, the *Comitato Permanente del Grano*, the *Istituto Centrale di Statistica*, the *Reale Accademia d'Italia*, the *Consiglio Nazionale delle Ricerche*, the *l'Opera Nazionale Dopo Lavoro*, etc. It is the duty of the Presidenza to assist the Capo del Governo in the performance of all these functions.

The organization and activity of the Presidenza del Consiglio have not yet been systematically regulated; it functions only on the basis of incomplete ordinances of earlier date.

But it must not be forgotten that the jurisdiction of the Capo del Governo is far more extensive in the Fascist régime than that of any "line" minister. For that reason, the sphere of authority of the Presidenza must also be greater than that of any ministry. The activity of the Presidenza is partly political, partly legal and partly administrative. Its most characteristic feature is, however, exceptional complexity of its powers.

The personnel of the Presidenza is not permanent but is delegated in turn from other branches of the administration. This system may have its advantages as is shown by the system in force in the

military General Staff which attaches its members for service alternately with the various branches of the army. On the other hand, however, even Fascism has proved unable to overcome the resistance shown by the various Ministries and manifested by their reluctance usually to surrender their best workers for other purposes, while the services of those who are delegated to work in other spheres of activity are not appreciated or valued adequately by the ministries to which they belong and from which they expect promotion.

Although the organization of the Presidenza is not yet determined or stabilized, Mussolini is nevertheless capable of performing all the duties imposed upon him by his enormous powers. This is due to his possessing exceptional abilities and being a master of the science of the division of time and of labor. We have here, as stated above, a situation similar to that of Napoleon, who did not need any General Staff such as developed under his successors for the purpose of performing the work he had done himself. Mussolini too is able to perform unaided gigantic tasks for the continuation of which after his time a whole civil general staff will be required.

In any case this achievement of Mussolini's would be impracticable had he not previously, by the reform of the State organization assured the conditions necessary to the performance of his functions. He eliminated the constant antagonism of a Parliament toward an end to the constant hostility shown by ministers in respect to the status of the Premier as their chief, which they regarded as a restriction of their own powers. Finally, Fascism rejected the idea of the alleged incompatibility of the individual responsibility of the ministers with the legal preëminence of the Prime Minister.⁶³

HUNGARY

Hungary in 1848 adopted a parliamentary system together with the Cabinet system of government. The number of ministers was determined by law. Each minister was placed at the head of a ministry. The Prime Minister may or may not, as he pleases, put himself at the head of one of the ministries. In his capacity as Premier he enjoys prestige; but legally he is only *primus inter pares*.

⁶³ See Corsini, *op. cit.*

The Constitution and the laws say nothing about these questions; but here too in actual fact the doctrine of the individual responsibility of the ministers has developed and it is regarded as incompatible with the principle of giving the Prime Minister a superior legal status.

The Prime Minister has at his disposal an administrative agency consisting of professional officials, the members of which constitute an independent staff and are therefore not recruited from other departments. However apart from its serving as the secretariat of the Cabinet, the Prime Ministry possesses only a very restricted administrative jurisdiction confined to a few questions not assignable to the jurisdiction of other departments (Central Bureau of Statistics, the affairs of non-Magyar nationalities living in Hungary, etc.). In addition the Prime Ministry plays the rôle of political secretariat to the Prime Minister, assisting him in the general political direction of the country. It also comprises the Press Bureau. That the Prime Ministry is regarded as an auxiliary agency of the Premier's political function is manifested also by the fact that while until 1913 it had a Director General at its head, since then it has been under the direction of a parliamentary (political) Under-Secretary of State.

Since the Ministers are the heads of the public administration, the decision of questions affecting either the whole administration or more than one ministry belongs to the jurisdiction of the Cabinet Council. However, some of the ministers, due to historical evolution, possess a partial jurisdiction over affairs which may concern other ministers or even the whole Cabinet. Thus the regulation of the legal status of public service employees comes under the jurisdiction of the Minister of Finance in connection with the Budget. A similar jurisdiction is enjoyed in respect to local government employees by the Minister of the Interior. Additional training of public employees is provided uniformly in respect to both State and local government employees by the Minister of the Interior. As we have seen in the case of the other parliamentary Cabinet systems, no systematic provision has been made for a solution of the problems of general administration. When we survey retrospectively the

almost ninety years of activity of the Cabinet system in Hungary, we may establish the fact that the Cabinet Council has proved a suitable agency for the political coördination of the government. In questions raised by the administration as a whole, however, a unanimous decision has been reached often only in a negative sense—viz., by leaving the questions unsolved. With the increase in dimensions of public administration, there has been an increase also in the number of functions leading to a parallel augmentation of the charges on the Budget. It has become more evident that to insure economy and efficiency of the public service a solution of the problems of general administration is necessary. The world economic crisis which broke out in 1931 made people attempt to approach the question systematically. In 1931, with the experience of nine years of government behind him, Count Stephen Bethlen appointed a government commissioner to prepare the work of rationalizing the public administration. After thoroughly studying the question the government commissioner submitted a proposal to the effect that economy and efficiency of administration could be assured only if responsibility for matters affecting the public administration as a whole were given to the Prime Minister. The principle of individual responsibility of the Ministers is nowhere expressly enunciated in law. Since the intent of that principle is that there should not be any question for which a minister could not be held responsible, the proposal submitted by the government commissioner for the solution of the constitutional problem was that the responsibility for matters concerning that administration as a whole should be assumed by the Prime Minister. For that purpose, there need be no amendment of any positive law, merely a modification of the constitutional practice. The Prime Minister would be responsible for institutional questions only and the Ministers responsible for all functional questions.

The antagonistic attitude of Ministers and Parliament toward this solution has naturally been in evidence in Hungary also. The presentation of the proposal drafted by the government commissioner was immediately followed by two Cabinet crises, so that the proposal never came up for discussion. The question of a service of general administration has therefore not yet been solved.

GERMANY

The Supreme Head of the public administration is the Führer and Chancellor—i.e., the man who combines in his person the offices of Head of the State and Head of the Government. The uniformity of the direction of the public services is guaranteed partly by his person and partly by the joint councils of the Imperial Government (Führerrat) and by what the German Report calls "besondere Vollmachten des Innenministers als Verfassungs- und Organisations-minister" (special powers of the Minister of the Interior as Minister for the Constitution and Organization). To assure uniformity of institutional activity, as we have seen, several organs possess partial jurisdiction. The power given the Interior for the purpose of assuring uniformity in the public administration is contained in the law which transferred the prerogatives of the federal countries to the Empire ("Gesetz über den Neuaufbau des Reichs" vom 30. Januar 1934). This law declared that the legal regulations and measures essential to the application of the law would be taken by the Imperial Minister of the Interior. By virtue of his budgetary privileges the Minister of Finance enjoys a strong legal position. The jurisdiction of the Reichssparkommissar which has been left intact is also of importance; it has been transferred to the presidential section of the Public Audit Department. ("Deutsches Gesetz über die Zweite Aenderung der Reichshaushaltsordnung" vom 13. Dezember 1933.) It is the jurisdiction of the latter that serves most effectively to increase the economy and efficiency of the public administration.

The Führer and Reichskanzler has attached to him, due to his two functions as Head of the State and Head of the Government, two special offices. Each of these is under the control of a Secretary of State. The "Prasidialkanzlei" is responsible for the work incidental to the Function of the Head of the State; the "Reichskanzlei" supports the Führer in his capacity as Reichskanzler (Imperial Chancellor) in the sphere of activity incidental to his jurisdiction as Head of the Government.

At the present moment the question of a Service of General Ad-

ministration is not in the foreground in German public administration, although it is not regarded as already solved.

POLAND

Poland is in a peculiar situation as a result of having in 1918, after partition among three Great Powers, recovered her national independence and her national unity. She was therefore faced with the task of reorganizing a State with a population of 30,000,000 souls. Although in Poland too there were certain ideas originating from older traditions, there were also possibilities which only such an exceptional situation could offer.

The work is still in progress. As we have seen, the Polish Constitution itself has in the meantime been subjected to various changes. A commission attached to the Prime Ministry has been created for the purpose of reorganizing the public administration. This Commission submitted to the Fifth International Congress of Administrative Sciences (1933) an exhaustive report on the following terms:

1. The determination of the program of Government within the Cabinet Council.

2. The supervision of the execution of the programs.

In addition, there devolve upon the Prime Minister certain obligations proceeding from his character as President of the Council of Ministers, and also functions based upon the provisions of special laws.

As a consequence, the activity of the Prime Ministry as a "working agency" of the Prime Minister, should comprise:

- A. The elaboration of the program of the Government and after the respective decisions have been taken by the Government, the supervision of the execution of this program of the Government and of its conformity with the program of the Government and with the programs of the Departments and voyvodeships.

- B. The communication to the Premier of the elements required for decisions to be taken within his jurisdiction either as Head of the Government or as President of the Council (Prime Minister) or on questions based upon the provisions of special laws.

The proposal gives a detailed definition of the meaning of the expression "supervision of the execution of this program" as follows:

"Supervision of the execution of the established program demands concentration in the hands of the Premier of all the threads of organisation deciding the direction and methods of operation of the administration. These are:

a. The general direction of the legislative operations of the ministers and the supervision of these operations.

b. The supervision of the organisation of the administration as a whole and the initiative in this field.

c. Management of affairs relating to personnel and the supervision of these affairs.

d. Budgetary policy."

In these powers there are more important elements of general administration combined than the Prime Minister of any other Parliamentary State has been able to collect. What the report says under the head of "supervision of the organisation of the administration as a whole and the initiative in this field" shows that a solution is sought by employing the methods of research for the "one best way"; that is to say, the requirements of public administration in the post-industrial State are not lost to sight.

"The organisation of the distinct branches of administration could not be treated as an internal concern of the Departments depending exclusively upon the free judgment of each particular minister. General supervision of the organisation and initiative in the field of organisation and in methods of work of the administration as a whole, should be reserved for the Prime Minister for the following reasons:

"Upon the organisation and the methods of work in the administration depends the amount of costs for the maintenance of the administration, those costs constituting the most onerous part of the Budget of the State for which the Prime Minister both as Head of the Government and Head of the Administration as a whole is primarily responsible.

"Initiative in the question of organisation ought to be taken with

the greatest circumspection and should remain consistent in respect to the line of evolution once fixed. The organisation of the administrative system can never be a conglomeration of different systems or be subject to frequent changes. That is why it ought not to depend exclusively upon the initiative of the minister for the time being in power—any more than upon the points of view prevailing in the ministerial offices disposed in the nature of things to adopt a certain particularism in the appreciation of these problems.

“Again, initiative in questions of organisation ought to emanate from a single central agency supervising the organisation of public administration as a whole. This central organizer should be directly subordinate to the Prime Minister and so ought to be located in the Prime Ministry.”

This very clear appreciation of the ends to be attained has however to face various difficulties arising from resistance in practice in Poland also, although there is in operation there, attached to the Prime Ministry, a Bureau for the Rationalization of the Public Administration. The Director of this Bureau, M. Vladimir Hübner, in the report drafted by him for presentation to the Congress in Warsaw under the title “Of the Necessity of Concentrating the Matters affecting the Personnel and the Organisation in the Prime Ministry” stresses not only the necessity for concentration of questions of personnel in the hands of the Prime Ministry, but also similar concentrations within the several departments.

This shows that Poland is one of the Continental States in which the problem of a Bureau of General Administration is prominent and clearly appreciated. A considerable part of the problem has already been solved.

SOVIET UNION

We have already shown that from the point of view of public administration the study of the Soviet Union is extremely instructive, for two reasons:

- a. Because it is the biggest State in the world.
- b. Because it has made the whole field of production an administrative function.

In connection with the problem of the Chief Executive we are struck by two new solutions applied by the Soviet Union in fields in which there were no experiences available for their guidance. One of these is the realization of planning in the whole territory of State activity including also production. The organ of this work is the *Gosplan*. The other deals with the control of the whole administrative system from the point of view of efficiency: it is called the *Soviet Control Commission*.

§ 37. THE GOSPLAN

The Gosplan is designated to direct production centrally. Its activity is familiar to the whole world from the elaboration and carrying into effect of the first and second five years' plans.

It originated from a general order for the drafting of a plan for the electrification of the whole territory of the Soviet Union. In the course of the work it was realized that in a country in which all the means of production had been nationalized, the accomplishment of a particular task could not be detached from its economic correlations, but that the economic life of the country as a whole had to be based upon a uniform plan. This was the origin of the first five-years' plan (1928-32) and this is why it took so long (till 1928) to achieve it. Today we are approaching the end of the second five year plan (1933-37), which must be followed by other plans, just as there must be a budget every year. This system signifies the institutional solution in the Governmental function of the first requirement of General Administration—Foresight or Planning—under the immediate responsibility of the Head of the Government.

In 1935, the Gosplan was reorganized on the basis of the experience of almost ten years.

The Gosplan is directly subordinate to the Council of People's Commissaries. Its President is at the same time Deputy President of the Council of People's Commissaries, and is present at all meetings of that Council. As may be seen from its organization, the activity of this organ extends, not only to the economic life, but

also to all branches of State activity (education, army, administration of justice, etc.). Its function is to determine the task or tasks to be performed during one year or five years by each individual economic unit, organ of production or distribution and other public or official organs and to define exactly the objects to be attained or realized. The Gosplan endeavors to make this determination as precise and accurate as possible and to provide that it shall be as near as possible to the maximum attainable. This is the object of the various services of the central statistical bureau and of the constant study of the reports sent in by the various organs. It is the duty of the executive organs to carry out the program fixed within the period assigned and in a manner corresponding to its original object, the result being made public all over the country. Any omissions are investigated and punished. Overproduction is rewarded although the extremely high estimate of the requirement which is constantly more accurate does not allow of much possibility in that direction. The control is the duty of the various People's Commissaries, though it is shared also by the Soviet Control Commission, which supervises the People's Commissariats and has already contributed more than one proposal toward the improvement of the Gosplan.

The Gosplan not only determines the five year plans which are published but on the basis of these plans it elaborates annually and in detail the tasks belonging to the respective year, and distributes them among the various organs. It also reports results. The report dealing with the fulfillment of the first five years' plan has been published in English,⁶⁴ and the report dealing with the second five year plan also appeared in German.⁶⁵ The initial difficulties have already been overcome. After eight years of experience, the Russians are no longer groping in the dark. They have already proved able to obtain a comprehensive idea of the enormous field of the economic life and of its complicated interdependences.

⁶⁴ Summary of the Fulfilment of the First Five-Year Plan for the Development of the National Economy of the USSR, Pub. State Planning Com. of USSR, Moscow, 1933, p. 246.

⁶⁵ Der zweite Fünfjahrplan der Entwicklung der Volkswirtschaft der USSR (1933-1937), verlagsgenossenschaft Ausländischer Arbeiter der USSR, Moskau, 1936, 740 pages.

The importance of the executive in a revolutionary State is far more evident than it is under stable conditions. This is expressed as follows by Stalin: "Some people believe that it is sufficient for the Party to choose an exact direction, proclaiming that direction to the whole world, expressing it in terms of general theses and decisions and accepting it unanimously, and that the victory really comes of itself. This is of course wrong; victory never comes of itself but must usually be gained by force. Good resolutions and declarations in the spirit of the aims professed by the Party are only the beginning. For they merely express a desire for the victory of the Party, but do not mean the victory of the Party. Where the exact political direction is indicated everything depends upon the work of organisation—even the fate of the Party, its fall or its success."⁶⁶ "A good organisation of the control of execution is of decisive importance in the fight against bureaucracy. Are the decisions of Government being carried into effect? or is the bureaucracy delaying their execution by sabotage? Are those decisions being carried into effect properly or in a distorted form? Is the State machine operating efficaciously? or is it an end in itself? Are there no unjustifiable differences of standard? All these questions can be answered by the aid of well-organised control. Well-organised control is like a searchlight illuminating the operations of the machinery at all times and revealing bureaucrats and ineffective workers. It may be said decidedly that nine-tenths of our troubles and defects are due to a faulty organisation of the control of execution. In order to enable the control of execution to attain its object, however, two things at least are needed—first, that the control of the execution should be systematic and not desultory, and secondly that the control of execution in the Party, Soviet and economic organisations and in all their branches should be under the direction, not of inferior persons, but of persons possessing the necessary authority who are the heads of the organisations. Of particular importance is the proper organisation of the control of execution in the central organs—the ministries."⁶⁷

⁶⁶ Stalin, "Berichte über die Arbeit des Zentral komitees der KP d. SU"

⁶⁷ Stalin, *op. cit.*, p. 95.

1934, a *Soviet Control Commission* was organised. It has 40 members and its jurisdiction extends to the whole territory of the Soviet Union. It is divided into sub-commissions and has representatives in the Member States, in the provinces and in the districts which are entirely independent of the local organisations. There are no representatives attached to any lower unit than the district (*rayon*) though temporary (*ad hoc*) authority for that purpose is given when required. This control does not extend to the entire activity of the various organs, only to the execution of certain instructions and decisions of Headquarters. When the Council of People's Commissaries takes a decision, it appoints a certain period of time within which the decision is to be carried out and entrusts the Control Commission with the work of supervising the execution. That Commission, through its sub-commissions or delegates, not only demands a report of the results to be sent in on the expiration of the appointed period, but also in the meantime takes care to convince itself that every preparation is being made in time for the result to be attained within the period fixed. The object of its activity is therefore to control results, a control which extends not only to the concrete operation, but also to the operating efficiency of the organ and to an investigation of the abilities of the chiefs and their subordinates. It has to submit a report of conditions to the proper quarters, though it is entitled in case of necessity to order directly the immediate dismissal or suspension from office of any employees who are failing or unfit for work. So this new system of control solves the problem of control from the point of view of efficiency. In respect to the organisation of the control, particular importance attaches to the fact that the President of the Soviet Control Commission is at the same time Deputy President of the Council of People's Commissaries. That means also not only that he is at all times present at the Council, but also that he enjoys an eminent legal status within that body. He is superior to the People's Commissaries (Ministers). When that body takes decisions, he is entrusted with the control of their execution, should such a procedure be regarded as necessary. At the same time he possesses the right of reporting on his own initiative respecting his

experiences and his views. In this way he is in a position to continually act as a stimulating influence working towards the improvement of the administrative organisation and its functioning. In order to insure the authority of the Commission, its members are selected by the Executive Committee of the Communist Party—i.e. by the most important political organ, their selection is subject to confirmation by the Council of People's Commissaries and by the Central Executive Committee of the USSR."

The organization of the Soviet Control Commission was accompanied at the same time by the formation of a Party Control Commission designated to control the employees of the public administration from the party point of view, in all grades alike, up to the very highest.

§ 38. GENERAL TENDENCY OF THE EVOLUTION

We have passed in review the changes in the position and the powers of the Chief Executive in various States. These States included the biggest States in the world and small States, too, monarchies and republics, united and federal States, old States, and new States. We saw that the tendency was the same in all alike, showing that in the post-industrial State the functions of the Head of the Government, the administrative functions, have overtaken and passed the political function. Political programs and political successes depend upon administrative possibilities—upon the efficiency of the administration. This fact has not, however, been appreciated to the same extent everywhere. The solutions are different in character and show different stages of development. But the three Great Powers which since the Great War have passed through radical revolutions have all without exception strengthened the authority of the executive raising it indeed to above the other State functions, in particular the legislative power. This has been effected by evolution in Great Britain; in the United States, by the strong executive system. The only question is whether the other States will chose the path of evolution or revolution?

The system of absolute monarchy was supplanted by the system

of a parliamentary Cabinet. The conditions, however, under which the Cabinet system was practicable and meant an advance as compared with the preceding regime of absolute monarchy were changed by the industrial revolution, and by the increase in population that followed. The entire change was in favor of the executive. Technical progress and the development of capitalism led to an increase in the number of units of organization. The size of the State administrative system increased to enormous proportions; and the quantitative increase led to new qualitative requirements in respect to leadership. The vast dimensions could neither come into being nor remain in existence without organization. Since organization is, however, an integration of men and materials, there was absolute need of direction or a leader. So the problem of organization was identical with the problem of the leader. It is an old experience in connection with organization that an individual alone can act and give orders, but not a corporate body. The executive power of the State was in the hands of an individual so long as the Head of the State not only ruled but also governed. This condition was modified in the first half of the nineteenth century by the parliamentary Cabinet system when Governmental action was entrusted to a corporate body—the Government.

This was a corollary of the change from individual absolutism to constitutional democracy. But the change in the State resulting from the industrial revolution made it imperative that the place of a group in government should be taken once more by an individual leader. This is not incompatible either with constitutional democracy or with parliamentarism. What is incompatible is the present-day dimensions of public administration and corporate government. The economy and efficiency of administration depends upon the solution of the problem of general administration—upon institutional activity. And for general administration the Chief Executive must be made responsible, and raised above his colleagues the other Ministers. Thus, the Cabinet system must be transformed in a manner providing that the Head of the Government shall no longer be *primus inter pares* and that the Head of the General Administration shall be his Deputy.

The other important argument, which has so far usually escaped notice is that the professional and technical trained personnel which public administration has everywhere been driven to employ cannot exert its utmost capacity except under the direction of technically trained superiors. In the case of a technically trained personnel "operating efficiency" is inconceivable without a technically trained head, who must be superior in every point. This we see in the case of the army, where the Chief of the General Staff is the most eminent general in the army. In the event of war, either the commander himself, or, where the commander-in-chief is the Head of the State, the Chief of the General Staff, who is second in rank, is the real leader of the army. The quality of the Chief Executive or of the Government is the chief factor in the operating efficiency of the public administration apparatus. We see the same situation in the Roman Catholic Church, where Canon 232 of the *Codex Juris Canonici* provides that in the government of the Church the Cardinals at the head of the ecclesiastical administration must be "viri . . . doctrina, pietate ac rerum agendarum prudentia egregie praestantes." In the selection of the members of the Government the Cabinet system, however, deliberately places political considerations in the foreground. The ministers may be entirely without technical knowledge of administration; and even where that knowledge is present due to the frequent changes of government, it is difficult for the ministers to acquire administrative experience. The disadvantages of this situation were not so serious so long as the political function was the only important one or was predominant. Since the end of the nineteenth century, however, the increase in the field of public administration has been accompanied by a parallel increase in the importance of the rôle of the ministers as supreme leaders of the administration and chiefs of professional, technically trained employees. The Civil Service must also have a personal chief, who must be an intellectual leader to whom his subordinates look up with respect. In a professional service only an expert can be the most eminent member of the public service and his position must

be permanent. "Discontinuity is one of the greatest barriers to intelligent public management in a democracy."⁶⁹

The administrative function to be performed by the Chief Executive, which involves at the same time the sphere of authority of an administrative auxiliary agency, is the performance of institutional activity or general administration, the content of which has been determined in principle.

The personification and the supreme direction of the function of general administration must be exercised by the Chief Executive and must be concentrated in his administrative agency—a Bureau of General Administration or a civil general staff. In addition, however, it is necessary that the several ministers and heads of the other big administrative units should have corresponding technical agencies the heads of which shall possess the same technical training and shall be doubly subordinate, like the Chief of Staff of an Army Corps, on the one hand to the Director of General Administration of the Chief Executive and on the other hand to his own chief.

In all countries alike there are difficulties in the way of the development of the legal status of the Chief Executive or Head of the Government and of the establishment of coördinating agencies. In the United States the department resisted the Activity of the Bureau of the Budget. At first (1873-75), people did not want to accept even the Civil Service Commission. Political history offers many examples of this situation everywhere. And everywhere there has been resistance on the part of Parliament, a point particularly stressed by Corsini.

Should political science, on the basis of the universal experience which it has been the business of the present study to summarize, recognize the necessity for a further development of organization, this might be expected to facilitate the process of evolution in most States. That will be the decisive step toward giving the pre-industrial State a post-industrial organization and toward replacing in public administration the empiricism applied hitherto in seeking the

⁶⁹ W. R. Sharp, *The Chief Executive and Auxiliary Agencies in the State of Wisconsin*, Report submitted by the American National Group to the Congress, p. 64.

“one best way” indicated by scientific management. Owing to the lack of stability and competence of governments caused by the parliamentary system we see an oscillation in development and retrogression. The assistance of Scientific Management and the stability assured by a service of General Administration will render gradual development possible—will provide that any changes there may be shall only be for the better.

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